

1 AMENDMENT TO HOUSE BILL 581

2 AMENDMENT NO. _____. Amend House Bill 581 by replacing
3 the title with the following:

4 "AN ACT in relation to public employee benefits."; and
5 by replacing everything after the enacting clause with the
6 following:

7 "Section 5. The Illinois Pension Code is amended by
8 changing Sections 2-110, 2-110.1, 2-117, 2-119.1, 4-109.1,
9 4-109.2, 4-114, 5-129.1, 5-234, 7-132, 7-141.1, 7-154, 8-172,
10 14-103.05, 14-104, 14-110, 14-119, 14-121, 16-106, 16-113,
11 16-127, 16-129.1, 16-133.2, 16-133.3, 16-136.4, 16-149.2,
12 16-150, 16-151, 16-182, 16-184, 16-185, 16-186.3, and 17-122
13 and adding Sections 6-124.1, 8-172.1, 14-104.12, 17-116.7,
14 and 17-121.1 as follows:

15 (40 ILCS 5/2-110) (from Ch. 108 1/2, par. 2-110)
16 Sec. 2-110. Service.

17 (A) "Service" means the period beginning on the day when
18 a person first became a member, and ending on the date under
19 consideration, excluding all intervening periods of
20 nonmembership following resignation or expiration of any term
21 of office.

1 (B) "Service" includes:

2 (a) Military service during war by a person who
3 entered such service while a member, whether rendered
4 before or after the expiration of any term of office;
5 plus up to 2 years of military service that need not have
6 immediately followed service as a member, and need not
7 have been served during wartime, provided that the member
8 (or former member who has not yet begun to receive a
9 retirement annuity) makes contributions to the System for
10 such service (1) at the rates provided in Section 2-126
11 based upon the member's rate of compensation on the last
12 date as a participant prior to such military service, or
13 on the first date as a participant after such military
14 service, whichever is greater, plus (2) if payment is
15 made on or after February 1, 2004 ~~May-17-1993~~, an amount
16 determined by the Board to be equal to the employer's
17 normal cost of the benefits accrued for such military
18 service, plus (3) interest at the effective rate from the
19 date the person last became a participant in the System
20 or November 19, 1991, whichever is later, of first
21 membership-in-the-System to the date of payment.

22 A former member who has not yet begun to receive a
23 retirement annuity may establish military service credit
24 as provided in this subdivision (a). The change in the
25 manner of calculating payment for certain military
26 service credit made by this amendatory Act of the 93rd
27 General Assembly applies to credit established on or
28 after its effective date by an active participant in the
29 System or a former member who has not yet begun to
30 receive a retirement annuity, but it does not entitle any
31 person to a refund of contributions already paid.

32 The amendment to this subdivision (B)(a) made by
33 this amendatory Act of 1993 shall apply to persons who
34 are active contributors to the System on or after

1 November 30, 1992. A person who was an active
2 contributor to the System on November 30, 1992 but is no
3 longer an active contributor may apply to purchase
4 military credit under this subdivision (B)(a) within 60
5 days after the effective date of this amendatory Act of
6 1993; if the person is an annuitant, the resulting
7 increase in annuity shall begin to accrue on the first
8 day of the month following the month in which the
9 required payment is received by the System. The change
10 in the required contribution for purchased military
11 credit made by this amendatory Act of 1993 shall not
12 entitle any person to a refund of contributions already
13 paid.

14 (b) Service as a judge of a court of this State,
15 but credit for such service is subject to the following
16 conditions: (1) such person shall have been a member for
17 at least 4 years and contributed to the system for
18 service as a judge subsequent to July 8, 1947, at the
19 rates herein provided, including interest at 2% per annum
20 to the date of payment based on the salary in effect
21 during such service; (2) the member was not an eligible
22 member of nor entitled to credit for such service in any
23 other retirement system in the State maintained in whole
24 or in part by public contributions; and (3) the last 4
25 years of service prior to retirement on annuity was
26 rendered while a member.

27 (c) Service as a participating employee under
28 Articles 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16,
29 17 or 18 of the Illinois Pension Code. Credit for such
30 service may be established by a member and, if permitted
31 by the credit transfer Section of the appropriate
32 Article, by a former member who is not yet an annuitant,
33 and is subject to the following conditions: (1) that the
34 credits accrued under the above mentioned Articles have

1 been transferred to this system; and (2) that the member
2 has contributed to this system an amount equal to (i) the
3 contribution rate in effect for participants at the date
4 of membership in this system multiplied by the salary
5 then in effect for members of the General Assembly for
6 each year of service for which credit is being
7 transferred, plus (ii) the State's share of the normal
8 cost of benefits under this system expressed as a percent
9 of payroll, as determined by the system's actuary as of
10 the date of the participant's membership in this system,
11 multiplied by the salary then in effect for members of
12 the General Assembly, for each year of service for which
13 credit is being transferred, plus (iii) interest on items
14 (i) and (ii) above at 6% per annum compounded annually,
15 from the date of membership to the date of payment by the
16 participant, less (iv) the amount transferred to this
17 system on behalf of the participant on account of service
18 rendered while a participant under the above mentioned
19 Articles.

20 (d) Service, before October 1, 1975, as an officer
21 elected by the people of Illinois, for which creditable
22 service is required to be transferred from the State
23 Employees' Retirement System to this system by this
24 amendatory Act of 1975.

25 (e) Service rendered prior to January 1, 1964, as a
26 justice of the peace or police magistrate or as a civil
27 referee in the Municipal Court of Chicago, but credit for
28 such service may not be granted until the member has paid
29 to the system an amount equal to (1) the contribution
30 rate for participants at the date of membership in this
31 system multiplied by the salary then in effect for
32 members of the General Assembly for each year of service
33 for which credit is being transferred, plus (2) the
34 State's share of the normal cost of benefits under this

1 system expressed as a percent of payroll, as determined
2 by the system's actuary as of the date of the
3 participant's membership in this system, multiplied by
4 the salary then in effect for members of the General
5 Assembly, for each year of service for which credit is
6 allowed, plus, (3) interest on (1) and (2) above at 6%
7 per annum compounded annually from the date of membership
8 to the date of payment by the member. However, a
9 participant may not receive more than 6 years of credit
10 for such service nor may any member receive credit under
11 this paragraph for service for which credit has been
12 granted in any other public pension fund or retirement
13 system in the State.

14 (f) Service before January 16, 1981, as an officer
15 elected by the people of Illinois, for which creditable
16 service is transferred from the State Employees'
17 Retirement System to this system.

18 (C) Service during any fraction of a month shall be
19 considered as a month of service.

20 Service includes the total period of time for which a
21 participant is elected as a member or officer, even though he
22 or she does not complete the term because of death,
23 resignation, judicial decision, or operation of law, provided
24 that the contributions required under this Article for such
25 entire period of office have been made by or on behalf of the
26 participant. In the case of a participant appointed or
27 elected to fill a vacancy, service includes the total period
28 from January 1 of the year in which his or her service
29 commences to the end of the term in which the vacancy occurs,
30 provided the participant contributes in the year of
31 appointment an amount equal to the contributions that would
32 have been required had the participant received salary for
33 the entire year. The foregoing provisions relating to a
34 participant appointed or elected to fill a vacancy shall not

1 apply if the participant was a member of the other
2 legislative chamber at the time of appointment or election.

3 (D) Notwithstanding the other provisions of this
4 Section, if application to transfer or establish service
5 credit under paragraph (c) or (e) of subsection (B) of this
6 Section is made between January 1, 2004 ~~1992~~ and February 1,
7 2004 ~~1993~~, the contribution required for such credit shall be
8 an amount equal to (1) the contribution rate in effect for
9 participants at the date of membership in this system
10 multiplied by the salary then in effect for members of the
11 General Assembly for each year of service for which credit is
12 being granted, plus (2) interest thereon at 6% per annum
13 compounded annually, from the date of membership to the date
14 of payment by the member, less (3) any amount transferred to
15 this system on behalf of the member on account of such
16 service credit.

17 (Source: P.A. 86-27; 86-1028; 87-794; 87-1265.)

18 (40 ILCS 5/2-110.1) (from Ch. 108 1/2, par. 2-110.1)

19 Sec. 2-110.1. Service credit for elected county,
20 township or municipal official.

21 (a) An active participant having no creditable service
22 as a participating employee under Article 7 of this Code may
23 establish service credit in this system for periods during
24 which the participant held an elective office in a county,
25 township or municipality, (including the full term for which
26 elected if he or she resigned such office to enter the armed
27 forces of the United States), provided the member cannot
28 establish service credit under Article 7 for such periods
29 because the county, township or municipality did not and does
30 not subscribe to coverage for that office under that Article.
31 Credit for such service may be established in this system by
32 the participant paying to this system an amount equal to (1)
33 the contribution rate in effect for participants at the date

1 of membership in this system multiplied by the salary then in
2 effect for the members of the General Assembly for each year
3 of service for which credit is allowed, plus (2) the State's
4 share of the normal cost of benefits under this system
5 expressed as a percent of payroll, as determined by the
6 system's actuary as of the date of the participant's
7 membership in this system multiplied by the salary then in
8 effect for members of the General Assembly, for each year of
9 service for which credit is allowed, plus (3) interest on (1)
10 and (2) above at 4% per annum compounded annually from the
11 date of membership to the date of payment by the participant.

12 However, if application for such credit is made between
13 January 1, 1992 and April 1, 1992, the applicant need not pay
14 the amount indicated in item (2) above, but only the sum of
15 items (1) and (3).

16 (b) The surviving spouse of a participant who died in
17 service may establish service credit in this System for
18 periods during which the participant held an elective office
19 in a municipality but did not establish service credit under
20 Article 7 or any other provision of this Code, by applying to
21 the System in writing within 60 days after the effective date
22 of this amendatory Act of the 93rd General Assembly and
23 paying to this System an amount equal to the contribution
24 rate in effect for participants at the deceased participant's
25 date of first membership in this System multiplied by the
26 salary then in effect for the members of the General Assembly
27 for each year of service for which credit is allowed, plus
28 interest at the rate of 4% per annum, compounded annually,
29 from the date of the deceased participant's first membership
30 to the date of payment by the surviving spouse. The
31 surviving spouse's annuity shall be recalculated, with the
32 resulting increase accruing from the first annuity payment
33 date following the date upon which the required payment is
34 received by the System.

1 (Source: P.A. 87-794.)

2 (40 ILCS 5/2-117) (from Ch. 108 1/2, par. 2-117)

3 Sec. 2-117. Participants - Election not to participate.

4 (a) Every person who was a member on November 1, 1947,
5 or in military service on such date, is subject to the
6 provisions of this system beginning upon such date, unless
7 prior to such date he or she filed with the board a written
8 notice of election not to participate.

9 Every person who becomes a member after November 1, 1947,
10 and who is then not a participant becomes a participant
11 beginning upon the date of becoming a member unless, within
12 24 months from that date, he or she has filed with the board
13 a written notice of election not to participate.

14 (b) A member who has filed notice of an election not to
15 participate (and a former member who has not yet begun to
16 receive a retirement annuity under this Article) may become a
17 participant with respect to the period for which the member
18 elected not to participate upon filing with the board, before
19 January 1, 2004 ~~April 17, 1993~~, a written rescission of the
20 election not to participate. Upon contributing an amount
21 equal to the contributions he or she would have made as a
22 participant from November 1, 1947, or the date of becoming a
23 member, whichever is later, to the date of becoming a
24 participant, with interest at the rate of 4% per annum until
25 the contributions are paid, the participant shall receive
26 credit for service as a member prior to the date of the
27 rescission, both before and after November 1, 1947. The
28 required contributions shall be made before commencement of
29 the retirement annuity; otherwise no credit for service prior
30 to the date of participation shall be granted.

31 (Source: P.A. 86-273; 87-1265.)

32 (40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

1 Sec. 2-119.1. Automatic increase in retirement annuity.

2 (a) A participant who retires after June 30, 1967, and
3 who has not received an initial increase under this Section
4 before the effective date of this amendatory Act of 1991,
5 shall, in January or July next following the first
6 anniversary of retirement, whichever occurs first, and in the
7 same month of each year thereafter, but in no event prior to
8 age 60, have the amount of the originally granted retirement
9 annuity increased as follows: for each year through 1971, 1
10 1/2%; for each year from 1972 through 1979, 2%; and for 1980
11 and each year thereafter, 3%. Annuitants who have received
12 an initial increase under this subsection prior to the
13 effective date of this amendatory Act of 1991 shall continue
14 to receive their annual increases in the same month as the
15 initial increase.

16 (b) Beginning January 1, 1990, for eligible participants
17 who remain in service after attaining 20 years of creditable
18 service, the 3% increases provided under subsection (a) shall
19 begin to accrue on the January 1 next following the date upon
20 which the participant (1) attains age 55, or (2) attains 20
21 years of creditable service, whichever occurs later, and
22 shall continue to accrue while the participant remains in
23 service; such increases shall become payable on January 1 or
24 July 1, whichever occurs first, next following the first
25 anniversary of retirement. For any person who has service
26 credit in the System for the entire period from January 15,
27 1969 through December 31, 1992, regardless of the date of
28 termination of service, the reference to age 55 in clause (1)
29 of this subsection (b) shall be deemed to mean age 50.

30 This subsection (b) does not apply to any person who
31 first becomes a member of the System after the effective date
32 of this amendatory Act of the 93rd General Assembly.

33 (c) The foregoing provisions relating to automatic
34 increases are not applicable to a participant who retires

1 before having made contributions (at the rate prescribed in
2 Section 2-126) for automatic increases for less than the
3 equivalent of one full year. However, in order to be
4 eligible for the automatic increases, such a participant may
5 make arrangements to pay to the system the amount required to
6 bring the total contributions for the automatic increase to
7 the equivalent of one year's contributions based upon his or
8 her last salary.

9 (d) A participant who terminated service prior to July
10 1, 1967, with at least 14 years of service is entitled to an
11 increase in retirement annuity beginning January, 1976, and
12 to additional increases in January of each year thereafter.

13 The initial increase shall be 1 1/2% of the originally
14 granted retirement annuity multiplied by the number of full
15 years that the annuitant was in receipt of such annuity
16 prior to January 1, 1972, plus 2% of the originally granted
17 retirement annuity for each year after that date. The
18 subsequent annual increases shall be at the rate of 2% of the
19 originally granted retirement annuity for each year through
20 1979 and at the rate of 3% for 1980 and thereafter.

21 (e) Beginning January 1, 1990, all automatic annual
22 increases payable under this Section shall be calculated as a
23 percentage of the total annuity payable at the time of the
24 increase, including previous increases granted under this
25 Article.

26 (Source: P.A. 86-273; 87-794; 87-1265.)

27 (40 ILCS 5/4-109.1) (from Ch. 108 1/2, par. 4-109.1)
28 Sec. 4-109.1. Increase in pension.

29 (a) Except as provided in subsection (e), the monthly
30 pension of a firefighter who retires after July 1, 1971 and
31 prior to January 1, 1986, shall, upon either the first of the
32 month following the first anniversary of the date of
33 retirement if 60 years of age or over at retirement date, or

1 upon the first day of the month following attainment of age
2 60 if it occurs after the first anniversary of retirement, be
3 increased by 2% of the originally granted monthly pension and
4 by an additional 2% in each January thereafter. Effective
5 January 1976, the rate of the annual increase shall be 3% of
6 the originally granted monthly pension.

7 (b) The monthly pension of a firefighter who retired
8 from service with 20 or more years of service, on or before
9 July 1, 1971, shall be increased, in January of the year
10 following the year of attaining age 65 or in January 1972, if
11 then over age 65, by 2% of the originally granted monthly
12 pension, for each year the firefighter received pension
13 payments. In each January thereafter, he or she shall
14 receive an additional increase of 2% of the original monthly
15 pension. Effective January 1976, the rate of the annual
16 increase shall be 3%.

17 (c) The monthly pension of a firefighter who is
18 receiving a disability pension under this Article shall be
19 increased, in January of the year following the year the
20 firefighter attains age 60, or in January 1974, if then over
21 age 60, by 2% of the originally granted monthly pension for
22 each year he or she received pension payments. In each
23 January thereafter, the firefighter shall receive an
24 additional increase of 2% of the original monthly pension.
25 Effective January 1976, the rate of the annual increase shall
26 be 3%.

27 (c-1) On January 1, 1998, every child's disability
28 benefit payable on that date under Section 4-110 or 4-110.1
29 shall be increased by an amount equal to 1/12 of 3% of the
30 amount of the benefit, multiplied by the number of months for
31 which the benefit has been payable. On each January 1
32 thereafter, every child's disability benefit payable under
33 Section 4-110 or 4-110.1 shall be increased by 3% of the
34 amount of the benefit then being paid, including any previous

1 increases received under this Article. These increases are
2 not subject to any limitation on the maximum benefit amount
3 included in Section 4-110 or 4-110.1.

4 (c-2) On January 1, 2004, every pension payable to or on
5 behalf of a minor or disabled surviving child that is payable
6 on that date under Section 4-114 shall be increased by an
7 amount equal to 1/12 of 3% of the amount of the pension,
8 multiplied by the number of months for which the benefit has
9 been payable. On each January 1 thereafter, every pension
10 payable to or on behalf of a minor or disabled surviving
11 child that is payable under Section 4-114 shall be increased
12 by 3% of the amount of the pension then being paid, including
13 any previous increases received under this Article. These
14 increases are not subject to any limitation on the maximum
15 benefit amount included in Section 4-114.

16 (d) The monthly pension of a firefighter who retires
17 after January 1, 1986, shall, upon either the first of the
18 month following the first anniversary of the date of
19 retirement if 55 years of age or over, or upon the first day
20 of the month following attainment of age 55 if it occurs
21 after the first anniversary of retirement, be increased by
22 1/12 of 3% of the originally granted monthly pension for each
23 full month that has elapsed since the pension began, and by
24 an additional 3% in each January thereafter.

25 The changes made to this subsection (d) by this
26 amendatory Act of the 91st General Assembly apply to all
27 initial increases that become payable under this subsection
28 on or after January 1, 1999. All initial increases that
29 became payable under this subsection on or after January 1,
30 1999 and before the effective date of this amendatory Act
31 shall be recalculated and the additional amount accruing for
32 that period, if any, shall be payable to the pensioner in a
33 lump sum.

34 (e) Notwithstanding the provisions of subsection (a),

1 upon the first day of the month following (1) the first
2 anniversary of the date of retirement, or (2) the attainment
3 of age 55, or (3) July 1, 1987, whichever occurs latest, the
4 monthly pension of a firefighter who retired on or after
5 January 1, 1977 and on or before January 1, 1986 and did not
6 receive an increase under subsection (a) before July 1, 1987,
7 shall be increased by 3% of the originally granted monthly
8 pension for each full year that has elapsed since the pension
9 began, and by an additional 3% in each January thereafter.
10 The increases provided under this subsection are in lieu of
11 the increases provided in subsection (a).

12 (Source: P.A. 90-32, eff. 6-27-97; 91-466, eff. 8-6-99.)

13 (40 ILCS 5/4-109.2) (from Ch. 108 1/2, par. 4-109.2)

14 Sec. 4-109.2. Minimum pension.

15 (a) Beginning January 1, 1984, the minimum disability
16 pension granted under Section 4-110 or 4-111, the minimum
17 surviving spouse's pension, and the minimum retirement
18 pension granted to a firefighter with 20 or more years of
19 creditable service, shall be \$300 per month, without regard
20 to whether the death, disability or retirement of the
21 firefighter occurred prior to that date.

22 Beginning July 1, 1987, the minimum retirement pension
23 payable to a firefighter with 20 or more years of creditable
24 service, the minimum disability pension payable under Section
25 4-110 or 4-111, and the minimum surviving spouse's pension
26 shall be \$400 per month, without regard to whether the death,
27 retirement or disability of the firefighter occurred prior to
28 that date.

29 Beginning July 1, 1993, the minimum retirement pension
30 payable to a firefighter with 20 or more years of creditable
31 service and the minimum surviving spouse's pension shall be
32 \$475 per month, without regard to whether the firefighter was
33 in service on or after the effective date of this amendatory

1 Act of 1993.

2 (b) Beginning January 1, 1999, the minimum retirement
3 pension payable to a firefighter with 20 or more years of
4 creditable service, the minimum disability pension payable
5 under Section 4-110, 4-110.1, or 4-111, and the minimum
6 surviving spouse's pension shall be \$600 per month, without
7 regard to whether the firefighter was in service on or after
8 the effective date of this amendatory Act of the 91st General
9 Assembly.

10 In the case of a pensioner whose pension began before the
11 effective date of this amendatory Act and is subject to
12 increase under this subsection (b), the pensioner shall be
13 entitled to a lump sum payment of the amount of that increase
14 accruing from January 1, 1999 (or the date the pension began,
15 if later) to the effective date of this amendatory Act.

16 (c) Beginning January 1, 2000, the minimum retirement
17 pension payable to a firefighter with 20 or more years of
18 creditable service, the minimum disability pension payable
19 under Section 4-110, 4-110.1, or 4-111, and the minimum
20 surviving spouse's pension shall be \$800 per month, without
21 regard to whether the firefighter was in service on or after
22 the effective date of this amendatory Act of the 91st General
23 Assembly.

24 (d) Beginning January 1, 2001, the minimum retirement
25 pension payable to a firefighter with 20 or more years of
26 creditable service, the minimum disability pension payable
27 under Section 4-110, 4-110.1, or 4-111, and the minimum
28 surviving spouse's pension shall be \$1000 per month, without
29 regard to whether the firefighter was in service on or after
30 the effective date of this amendatory Act of the 91st General
31 Assembly.

32 (e) Beginning January 1, 2004, the minimum retirement
33 pension payable to a firefighter with 20 or more years of
34 creditable service, the minimum disability pension payable

1 under Section 4-110, 4-110.1, or 4-111, and the minimum
2 surviving spouse's pension shall be \$1030 per month, without
3 regard to whether the firefighter was in service on or after
4 the effective date of this amendatory Act of the 93rd General
5 Assembly.

6 (f) Beginning January 1, 2005, the minimum retirement
7 pension payable to a firefighter with 20 or more years of
8 creditable service, the minimum disability pension payable
9 under Section 4-110, 4-110.1, or 4-111, and the minimum
10 surviving spouse's pension shall be \$1060.90 per month,
11 without regard to whether the firefighter was in service on
12 or after the effective date of this amendatory Act of the
13 93rd General Assembly.

14 (g) Beginning January 1, 2006, the minimum retirement
15 pension payable to a firefighter with 20 or more years of
16 creditable service, the minimum disability pension payable
17 under Section 4-110, 4-110.1, or 4-111, and the minimum
18 surviving spouse's pension shall be \$1092.73 per month,
19 without regard to whether the firefighter was in service on
20 or after the effective date of this amendatory Act of the
21 93rd General Assembly.

22 (h) Beginning January 1, 2007, the minimum retirement
23 pension payable to a firefighter with 20 or more years of
24 creditable service, the minimum disability pension payable
25 under Section 4-110, 4-110.1, or 4-111, and the minimum
26 surviving spouse's pension shall be \$1125.51 per month,
27 without regard to whether the firefighter was in service on
28 or after the effective date of this amendatory Act of the
29 93rd General Assembly.

30 (i) Beginning January 1, 2008, the minimum retirement
31 pension payable to a firefighter with 20 or more years of
32 creditable service, the minimum disability pension payable
33 under Section 4-110, 4-110.1, or 4-111, and the minimum
34 surviving spouse's pension shall be \$1159.27 per month,

1 without regard to whether the firefighter was in service on
2 or after the effective date of this amendatory Act of the
3 93rd General Assembly.

4 (Source: P.A. 91-466, eff. 8-6-99.)

5 (40 ILCS 5/4-114) (from Ch. 108 1/2, par. 4-114)

6 Sec. 4-114. Pension to survivors. If a firefighter who
7 is not receiving a disability pension under Section 4-110 or
8 4-110.1 dies (1) as a result of any illness or accident, or
9 (2) from any cause while in receipt of a disability pension
10 under this Article, or (3) during retirement after 20 years
11 service, or (4) while vested for or in receipt of a pension
12 payable under subsection (b) of Section 4-109, or (5) while a
13 deferred pensioner, having made all required contributions, a
14 pension shall be paid to his or her survivors, based on the
15 monthly salary attached to the firefighter's rank on the last
16 day of service in the fire department, as follows:

17 (a) To the surviving spouse, a monthly pension of 40% of
18 the monthly salary, and to the guardian of any minor child or
19 children including a child which has been conceived but not
20 yet born, 12% of such monthly salary for each such child
21 until attainment of age 18 or until the child's marriage,
22 whichever occurs first. Beginning July 1, 1993, the monthly
23 pension to the surviving spouse shall be 54% of the monthly
24 salary for all persons receiving a surviving spouse pension
25 under this Article, regardless of whether the deceased
26 firefighter was in service on or after the effective date of
27 this amendatory Act of 1993.

28 Beginning January 1, 2004, the total monthly pension
29 payable under this paragraph (a) to the surviving spouse of a
30 firefighter who died while receiving a retirement pension,
31 including any amount payable on account of children, shall be
32 no less than 100% of the monthly retirement pension that the
33 deceased firefighter was receiving at the time of death,

1 including any increases under Section 4-109.1. This minimum
2 applies to all such surviving spouses who are eligible to
3 receive a surviving spouse pension, regardless of whether the
4 deceased firefighter was in service on or after the effective
5 date of this amendatory Act of the 93rd General Assembly, and
6 notwithstanding any limitation on maximum pension under
7 paragraph (d) or any other provision of this Article.

8 The pension to the surviving spouse shall terminate in
9 the event of the surviving spouse's remarriage prior to July
10 1, 1993; remarriage on or after that date does not affect the
11 surviving spouse's pension, regardless of whether the
12 deceased firefighter was in service on or after the effective
13 date of this amendatory Act of 1993.

14 The surviving spouse's pension shall be subject to the
15 minimum established in Section 4-109.2.

16 (b) Upon the death of the surviving spouse leaving one
17 or more minor children, to the duly appointed guardian of
18 each such child, for support and maintenance of each such
19 child until the child reaches age 18 or marries, whichever
20 occurs first, a monthly pension of 20% of the monthly salary.

21 (c) If a deceased firefighter leaves no surviving spouse
22 or unmarried minor children under age 18, but leaves a
23 dependent father or mother, to each dependent parent a
24 monthly pension of 18% of the monthly salary. To qualify for
25 the pension, a dependent parent must furnish satisfactory
26 proof that the deceased firefighter was at the time of his or
27 her death the sole supporter of the parent or that the parent
28 was the deceased's dependent for federal income tax purposes.

29 (d) The total pension provided under paragraphs (a), (b)
30 and (c) of this Section shall not exceed 75% of the monthly
31 salary of the deceased firefighter (1) when paid to the
32 survivor of a firefighter who has attained 20 or more years
33 of service credit and who receives or is eligible to receive
34 a retirement pension under this Article, or (2) when paid to

1 the survivor of a firefighter who dies as a result of illness
2 or accident, or (3) when paid to the survivor of a
3 firefighter who dies from any cause while in receipt of a
4 disability pension under this Article, or (4) when paid to
5 the survivor of a deferred pensioner. For all other
6 survivors of deceased firefighters, the total pension
7 provided under paragraphs (a), (b) and (c) of this Section
8 shall not exceed 50% of the retirement annuity the
9 firefighter would have received on the date of death.

10 The maximum pension limitations in this paragraph (d) do
11 not control over any contrary provision of this Article
12 explicitly establishing a minimum amount of pension or
13 granting a one-time or annual increase in pension.

14 (e) If a firefighter leaves no eligible survivors under
15 paragraphs (a), (b) and (c), the board shall refund to the
16 firefighter's estate the amount of his or her accumulated
17 contributions, less the amount of pension payments, if any,
18 made to the firefighter while living.

19 (f) An adopted child is eligible for the pension
20 provided under paragraph (a) if the child was adopted before
21 the firefighter attained age 50.

22 (g) If a judgment of dissolution of marriage between a
23 firefighter and spouse is judicially set aside subsequent to
24 the firefighter's death, the surviving spouse is eligible for
25 the pension provided in paragraph (a) only if the judicial
26 proceedings are filed within 2 years after the date of the
27 dissolution of marriage and within one year after the
28 firefighter's death and the board is made a party to the
29 proceedings. In such case the pension shall be payable only
30 from the date of the court's order setting aside the judgment
31 of dissolution of marriage.

32 (h) Benefits payable on account of a child under this
33 Section shall not be reduced or terminated by reason of the
34 child's attainment of age 18 if he or she is then dependent

1 by reason of a physical or mental disability but shall
2 continue to be paid as long as such dependency continues.
3 Individuals over the age of 18 and adjudged as a disabled
4 person pursuant to Article XIa of the Probate Act of 1975,
5 except for persons receiving benefits under Article III of
6 the Illinois Public Aid Code, shall be eligible to receive
7 benefits under this Act.

8 (i) Beginning January 1, 2000, the pension of the
9 surviving spouse of a firefighter who dies on or after
10 January 1, 1994 as a result of sickness, accident, or injury
11 incurred in or resulting from the performance of an act of
12 duty or from the cumulative effects of acts of duty shall not
13 be less than 100% of the salary attached to the rank held by
14 the deceased firefighter on the last day of service,
15 notwithstanding subsection (d) or any other provision of this
16 Article.

17 (j) Each survivor's pension payable on January 1, 2004,
18 shall be increased on that date, and on each January 1
19 thereafter, by an amount equal to 3% of the pension otherwise
20 payable at the time of the increase, including any previous
21 increases under this Article. This increase does not apply
22 to any survivor's pension that first becomes payable after
23 January 1, 2004.

24 (Source: P.A. 91-466, eff. 8-6-99.)

25 (40 ILCS 5/5-129.1)

26 Sec. 5-129.1. Withdrawal at mandatory retirement age -
27 amount of annuity.

28 (a) In lieu of any annuity provided in the other
29 provisions of this Article, a policeman who is required to
30 withdraw from service on or after January 1, 2000 due to
31 attainment of mandatory retirement age and has less than 20
32 years of service credit may elect to receive an annuity equal
33 to 30% of average salary for the first 10 years of service

1 plus 2% of average salary for each completed year of service
2 or fraction thereof in excess of 10, but not to exceed a
3 maximum of 48% of average salary.

4 (b) For the purpose of this Section, "average salary"
5 means the average of the highest 4 consecutive years of
6 salary within the last 10 years of service, or such shorter
7 period as may be used to calculate a minimum retirement
8 annuity under Section 5-132.

9 (c) For the purpose of qualifying for the annual
10 increases provided in Section 5-167.1, a policeman whose
11 retirement annuity is calculated under this Section shall be
12 deemed to qualify for a minimum annuity.

13 (d) A policeman with less than 20 years of service
14 credit who was required to withdraw from service on or after
15 January 1, 2000 but before June 28, 2002 due to attainment of
16 mandatory retirement age is also entitled to have his or her
17 retirement annuity calculated in accordance with this
18 Section. If payment of the annuity has already begun, the
19 annuity shall be recalculated. The resulting increase, if
20 any, shall accrue from the starting date of the annuity; the
21 amount of the increase relating to the period before the
22 annuity is recalculated shall be paid to the annuitant in a
23 lump sum, without interest.

24 (Source: P.A. 92-599, eff. 6-28-02.)

25 (40 ILCS 5/5-234) (from Ch. 108 1/2, par. 5-234)
26 Sec. 5-234. Transfer of credits.

27 (a) Any police officer who has at least 10 years of
28 creditable service in the Fund may transfer to this Fund
29 credits and creditable service accumulated under any other
30 pension fund or retirement system established under Article 8
31 or 12 of this Code, by making application and paying to the
32 Fund before January 1, 1990 the amount by which the employee
33 contributions that would have been required if he had

1 participated in this Fund during the period for which credit
2 is being transferred, plus interest, exceeds the amount
3 actually transferred from such other fund or system to this
4 Fund under item (1) of Section 8-226.5 or item (1) of Section
5 12-127.5.

6 (b) A policeman may transfer to this Fund up to 10 years
7 of credits and creditable service accumulated under the
8 pension fund established under Article 6 of this Code, by
9 making written application to the Fund within 6 months of the
10 effective date of this amendatory Act of the 93rd General
11 Assembly. For the transfer to be effective, the policeman
12 must pay to the Fund before withdrawal from service the
13 amount, if any, by which the employee contributions that
14 would have been required if he or she had participated in
15 this Fund during the period for which credit is being
16 transferred, plus interest, exceeds the amount actually
17 transferred from the Article 6 fund to this Fund under
18 Section 6-227.

19 (Source: P.A. 86-272.)

20 (40 ILCS 5/6-124.1 new)

21 Sec. 6-124.1. Withdrawal at mandatory retirement age -
22 amount of annuity.

23 (a) In lieu of any annuity provided in the other
24 provisions of this Article, a fireman who is required to
25 withdraw from service due to attainment of mandatory
26 retirement age and has at least 10 but less than 20 years of
27 service credit may elect to receive an annuity equal to 30%
28 of average salary for the first 10 years of service plus 2%
29 of average salary for each completed year of service or
30 remaining fraction thereof in excess of 10, but not to exceed
31 a maximum of 50% of average salary.

32 (b) For the purpose of this Section, "average salary"
33 means the average of the fireman's highest 4 consecutive

1 years of salary within the last 10 years of service.

2 (c) For the purpose of qualifying for the annual
3 increases provided in Section 6-164, a fireman whose
4 retirement annuity is calculated under this Section shall be
5 deemed to qualify for a minimum annuity.

6 (d) A fireman with less than 20 years of service credit
7 who was required to withdraw from service on or after January
8 1, 2000 but before the effective date of this amendatory Act
9 of the 93rd General Assembly due to attainment of mandatory
10 retirement age is also entitled to have his or her retirement
11 annuity calculated in accordance with this Section. If
12 payment of the annuity has already begun, the annuity shall
13 be recalculated. The resulting increase, if any, shall
14 accrue from the starting date of the annuity; the amount of
15 the increase relating to the period before the annuity is
16 recalculated shall be paid to the annuitant in a lump sum,
17 without interest.

18 (40 ILCS 5/7-132) (from Ch. 108 1/2, par. 7-132)
19 Sec. 7-132. Municipalities, instrumentalities and
20 participating instrumentalities included and effective dates.

21 (A) Municipalities and their instrumentalities.

22 (a) The following described municipalities, but not
23 including any with more than 1,000,000 inhabitants, and the
24 instrumentalities thereof, shall be included within and be
25 subject to this Article beginning upon the effective dates
26 specified by the Board:

27 (1) Except as to the municipalities and
28 instrumentalities thereof specifically excluded under
29 this Article, every county shall be subject to this
30 Article, and all cities, villages and incorporated towns
31 having a population in excess of 5,000 inhabitants as
32 determined by the last preceding decennial or subsequent
33 federal census, shall be subject to this Article

1 following publication of the census by the Bureau of the
2 Census. Within 90 days after publication of the census,
3 the Board shall notify any municipality that has become
4 subject to this Article as a result of that census, and
5 shall provide information to the corporate authorities of
6 the municipality explaining the duties and consequences
7 of participation. The notification shall also include a
8 proposed date upon which participation by the
9 municipality will commence.

10 However, for any city, village or incorporated town
11 that attains a population over 5,000 inhabitants after
12 having provided social security coverage for its
13 employees under the Social Security Enabling Act,
14 participation under this Article shall not be mandatory
15 but may be elected in accordance with subparagraph (3) or
16 (4) of this paragraph (a), whichever is applicable.

17 (2) School districts, other than those specifically
18 excluded under this Article, shall be subject to this
19 Article, without election, with respect to all employees
20 thereof.

21 (3) Towns and all other bodies politic and
22 corporate which are formed by vote of, or are subject to
23 control by, the electors in towns and are located in
24 towns which are not participating municipalities on the
25 effective date of this Act, may become subject to this
26 Article by election pursuant to Section 7-132.1.

27 (4) Any other municipality (together with its
28 instrumentalities), other than those specifically
29 excluded from participation and those described in
30 paragraph (3) above, may elect to be included either by
31 referendum under Section 7-134 or by the adoption of a
32 resolution or ordinance by its governing body. A copy of
33 such resolution or ordinance duly authenticated and
34 certified by the clerk of the municipality or other

1 appropriate official of its governing body shall
2 constitute the required notice to the board of such
3 action.

4 (b) A municipality that is about to begin participation
5 shall submit to the Board an application to participate, in a
6 form acceptable to the Board, not later than 90 days prior to
7 the proposed effective date of participation. The Board
8 shall act upon the application within 90 days, and if it
9 finds that the application is in conformity with its
10 requirements and the requirements of this Article,
11 participation by the applicant shall commence on a date
12 acceptable to the municipality and specified by the Board,
13 but in no event more than one year from the date of
14 application.

15 (c) A participating municipality which succeeds to the
16 functions of a participating municipality which is dissolved
17 or terminates its existence shall assume and be transferred
18 the net accumulation balance in the municipality reserve and
19 the municipality account receivable balance of the terminated
20 municipality.

21 (d) In the case of a Veterans Assistance Commission
22 whose employees were being treated by the Fund on January 1,
23 1990 as employees of the county served by the Commission, the
24 Fund may continue to treat the employees of the Veterans
25 Assistance Commission as county employees for the purposes of
26 this Article, unless the Commission becomes a participating
27 instrumentality in accordance with subsection (B) of this
28 Section.

29 (B) Participating instrumentalities.

30 (a) The participating instrumentalities designated in
31 paragraph (b) of this subsection shall be included within and
32 be subject to this Article if:

33 (1) an application to participate, in a form
34 acceptable to the Board and adopted by a two-thirds vote

1 of the governing body, is presented to the Board not
2 later than 90 days prior to the proposed effective date;
3 and

4 (2) the Board finds that the application is in
5 conformity with its requirements, that the applicant has
6 reasonable expectation to continue as a political entity
7 for a period of at least 10 years and has the prospective
8 financial capacity to meet its current and future
9 obligations to the Fund, and that the actuarial soundness
10 of the Fund may be reasonably expected to be unimpaired
11 by approval of participation by the applicant.

12 The Board shall notify the applicant of its findings
13 within 90 days after receiving the application, and if the
14 Board approves the application, participation by the
15 applicant shall commence on the effective date specified by
16 the Board.

17 (b) The following participating instrumentalities, so
18 long as they meet the requirements of Section 7-108 and the
19 area served by them or within their jurisdiction is not
20 located entirely within a municipality having more than one
21 million inhabitants, may be included hereunder:

22 i. Township School District Trustees.

23 ii. Multiple County and Consolidated Health
24 Departments created under Division 5-25 of the Counties
25 Code or its predecessor law.

26 iii. Public Building Commissions created under the
27 Public Building Commission Act, and located in counties
28 of less than 1,000,000 inhabitants.

29 iv. A multitype, consolidated or cooperative
30 library system created under the Illinois Library System
31 Act. Any library system created under the Illinois
32 Library System Act that has one or more predecessors that
33 participated in the Fund may participate in the Fund upon
34 application. The Board shall establish procedures for

1 implementing the transfer of rights and obligations from
2 the predecessor system to the successor system.

3 v. Regional Planning Commissions created under
4 Division 5-14 of the Counties Code or its predecessor
5 law.

6 vi. Local Public Housing Authorities created under
7 the Housing Authorities Act, located in counties of less
8 than 1,000,000 inhabitants.

9 vii. Illinois Municipal League.

10 viii. Northeastern Illinois Metropolitan Area
11 Planning Commission.

12 ix. Southwestern Illinois Metropolitan Area
13 Planning Commission.

14 x. Illinois Association of Park Districts.

15 xi. Illinois Supervisors, County Commissioners and
16 Superintendents of Highways Association.

17 xii. Tri-City Regional Port District.

18 xiii. An association, or not-for-profit
19 corporation, membership in which is authorized under
20 Section 85-15 of the Township Code.

21 xiv. Drainage Districts operating under the
22 Illinois Drainage Code.

23 xv. Local mass transit districts created under the
24 Local Mass Transit District Act.

25 xvi. Soil and water conservation districts created
26 under the Soil and Water Conservation Districts Law.

27 xvii. Commissions created to provide water supply
28 or sewer services or both under Division 135 or Division
29 136 of Article 11 of the Illinois Municipal Code.

30 xviii. Public water districts created under the
31 Public Water District Act.

32 xix. Veterans Assistance Commissions established
33 under Section 9 of the Military Veterans Assistance Act
34 that serve counties with a population of less than

1 1,000,000.

2 xx. The governing body of an entity, other than a
3 vocational education cooperative, created under an
4 intergovernmental cooperative agreement established
5 between participating municipalities under the
6 Intergovernmental Cooperation Act, which by the terms of
7 the agreement is the employer of the persons performing
8 services under the agreement under the usual common law
9 rules determining the employer-employee relationship.
10 The governing body of such an intergovernmental
11 cooperative entity established prior to July 1, 1988 may
12 make participation retroactive to the effective date of
13 the agreement and, if so, the effective date of
14 participation shall be the date the required application
15 is filed with the fund. If any such entity is unable to
16 pay the required employer contributions to the fund, then
17 the participating municipalities shall make payment of
18 the required contributions and the payments shall be
19 allocated as provided in the agreement or, if not so
20 provided, equally among them.

21 xxi. The Illinois Municipal Electric Agency.

22 xxii. The Waukegan Port District.

23 xxiii. The Fox Waterway Agency created under the
24 Fox Waterway Agency Act.

25 xxiv. The Illinois Municipal Gas Agency.

26 xxv. The Kaskaskia Regional Port District.

27 xxvi. The Southwestern Illinois Development
28 Authority.

29 xxvii. The United Counties Council of Illinois. If
30 the United Counties Council of Illinois becomes a
31 participating instrumentality included within and subject
32 to this Article, service with the Council under its
33 previous name (the Urban Counties Council of Illinois)
34 shall be deemed service with the same employer. The

1 employer may elect to make any employee contributions for
2 prior service on behalf of the employees.

3 (c) The governing boards of special education joint
4 agreements created under Section 10-22.31 of the School Code
5 without designation of an administrative district shall be
6 included within and be subject to this Article as
7 participating instrumentalities when the joint agreement
8 becomes effective. However, the governing board of any such
9 special education joint agreement in effect before September
10 5, 1975 shall not be subject to this Article unless the joint
11 agreement is modified by the school districts to provide that
12 the governing board is subject to this Article, except as
13 otherwise provided by this Section.

14 The governing board of the Special Education District of
15 Lake County shall become subject to this Article as a
16 participating instrumentality on July 1, 1997.
17 Notwithstanding subdivision (a)1 of Section 7-139, on the
18 effective date of participation, employees of the governing
19 board of the Special Education District of Lake County shall
20 receive creditable service for their prior service with that
21 employer, up to a maximum of 5 years, without any employee
22 contribution. Employees may establish creditable service for
23 the remainder of their prior service with that employer, if
24 any, by applying in writing and paying an employee
25 contribution in an amount determined by the Fund, based on
26 the employee contribution rates in effect at the time of
27 application for the creditable service and the employee's
28 salary rate on the effective date of participation for that
29 employer, plus interest at the effective rate from the date
30 of the prior service to the date of payment. Application for
31 this creditable service must be made before July 1, 1998; the
32 payment may be made at any time while the employee is still
33 in service. The employer may elect to make the required
34 contribution on behalf of the employee.

1 The governing board of a special education joint
2 agreement created under Section 10-22.31 of the School Code
3 for which an administrative district has been designated, if
4 there are employees of the cooperative educational entity who
5 are not employees of the administrative district, may elect
6 to participate in the Fund and be included within this
7 Article as a participating instrumentality, subject to such
8 application procedures and rules as the Board may prescribe.

9 The Boards of Control of cooperative or joint educational
10 programs or projects created and administered under Section
11 3-15.14 of the School Code, whether or not the Boards act as
12 their own administrative district, shall be included within
13 and be subject to this Article as participating
14 instrumentalities when the agreement establishing the
15 cooperative or joint educational program or project becomes
16 effective.

17 The governing board of a special education joint
18 agreement entered into after June 30, 1984 and prior to
19 September 17, 1985 which provides for representation on the
20 governing board by less than all the participating districts
21 shall be included within and subject to this Article as a
22 participating instrumentality. Such participation shall be
23 effective as of the date the joint agreement becomes
24 effective.

25 The governing boards of educational service centers
26 established under Section 2-3.62 of the School Code shall be
27 included within and subject to this Article as participating
28 instrumentalities. The governing boards of vocational
29 education cooperative agreements created under the
30 Intergovernmental Cooperation Act and approved by the State
31 Board of Education shall be included within and be subject to
32 this Article as participating instrumentalities. If any such
33 governing boards or boards of control are unable to pay the
34 required employer contributions to the fund, then the school

1 districts served by such boards shall make payment of
2 required contributions as provided in Section 7-172. The
3 payments shall be allocated among the several school
4 districts in proportion to the number of students in average
5 daily attendance for the last full school year for each
6 district in relation to the total number of students in
7 average attendance for such period for all districts served.
8 If such educational service centers, vocational education
9 cooperatives or cooperative or joint educational programs or
10 projects created and administered under Section 3-15.14 of
11 the School Code are dissolved, the assets and obligations
12 shall be distributed among the districts in the same
13 proportions unless otherwise provided.

14 (d) The governing boards of special recreation joint
15 agreements created under Section 8-10b of the Park District
16 Code, operating without designation of an administrative
17 district or an administrative municipality appointed to
18 administer the program operating under the authority of such
19 joint agreement shall be included within and be subject to
20 this Article as participating instrumentalities when the
21 joint agreement becomes effective. However, the governing
22 board of any such special recreation joint agreement in
23 effect before January 1, 1980 shall not be subject to this
24 Article unless the joint agreement is modified, by the
25 districts and municipalities which are parties to the
26 agreement, to provide that the governing board is subject to
27 this Article.

28 If the Board returns any employer and employee
29 contributions to any employer which erroneously submitted
30 such contributions on behalf of a special recreation joint
31 agreement, the Board shall include interest computed from the
32 end of each year to the date of payment, not compounded, at
33 the rate of 7% per annum.

34 (e) Each multi-township assessment district, the board

1 of trustees of which has adopted this Article by ordinance
 2 prior to April 1, 1982, shall be a participating
 3 instrumentality included within and subject to this Article
 4 effective December 1, 1981. The contributions required under
 5 Section 7-172 shall be included in the budget prepared under
 6 and allocated in accordance with Section 2-30 of the Property
 7 Tax Code.

8 (f) Beginning January 1, 1992, each prospective
 9 participating municipality or participating instrumentality
 10 shall pay to the Fund the cost, as determined by the Board,
 11 of a study prepared by the Fund or its actuary, detailing the
 12 prospective costs of participation in the Fund to be expected
 13 by the municipality or instrumentality.

14 (Source: P.A. 92-424, eff. 8-17-01.)

15 (40 ILCS 5/7-141.1)

16 Sec. 7-141.1. Early retirement incentive.

17 (a) The General Assembly finds and declares that:

18 (1) Units of local government across the State have
 19 been functioning under a financial crisis.

20 (2) This financial crisis is expected to continue.

21 (3) Units of local government must depend on
 22 additional sources of revenue and, when those sources are
 23 not forthcoming, must establish cost-saving programs.

24 (4) An early retirement incentive designed
 25 specifically to target highly-paid senior employees could
 26 result in significant annual cost savings.

27 (5) The early retirement incentive should be made
 28 available only to those units of local government that
 29 determine that an early retirement incentive is in their
 30 best interest.

31 (6) A unit of local government adopting a program
 32 of early retirement incentives under this Section is
 33 encouraged to implement personnel procedures to prohibit,

1 for at least 5 years, the rehiring (whether on payroll or
2 by independent contract) of employees who receive early
3 retirement incentives.

4 (7) A unit of local government adopting a program
5 of early retirement incentives under this Section is also
6 encouraged to replace as few of the participating
7 employees as possible and to hire replacement employees
8 for salaries totaling no more than 80% of the total
9 salaries formerly paid to the employees who participate
10 in the early retirement program.

11 It is the primary purpose of this Section to encourage
12 units of local government that can realize true cost savings,
13 or have determined that an early retirement program is in
14 their best interest, to implement an early retirement
15 program.

16 (b) Until the effective date of this amendatory Act of
17 1997, this Section does not apply to any employer that is a
18 city, village, or incorporated town, nor to the employees of
19 any such employer. Beginning on the effective date of this
20 amendatory Act of 1997, any employer under this Article,
21 including an employer that is a city, village, or
22 incorporated town, may establish an early retirement
23 incentive program for its employees under this Section. The
24 decision of a city, village, or incorporated town to consider
25 or establish an early retirement program is at the sole
26 discretion of that city, village, or incorporated town, and
27 nothing in this amendatory Act of 1997 limits or otherwise
28 diminishes this discretion. Nothing contained in this
29 Section shall be construed to require a city, village, or
30 incorporated town to establish an early retirement program
31 and no city, village, or incorporated town may be compelled
32 to implement such a program.

33 The benefits provided in this Section are available only
34 to members employed by a participating employer that has

1 filed with the Board of the Fund a resolution or ordinance
 2 expressly providing for the creation of an early retirement
 3 incentive program under this Section for its employees and
 4 specifying the effective date of the early retirement
 5 incentive program. Subject to the limitation in subsection
 6 (h), an employer may adopt a resolution or ordinance
 7 providing a program of early retirement incentives under this
 8 Section at any time.

9 The resolution or ordinance shall be in substantially the
 10 following form:

11 RESOLUTION (ORDINANCE) NO.

12 A RESOLUTION (ORDINANCE) ADOPTING AN EARLY
 13 RETIREMENT INCENTIVE PROGRAM FOR EMPLOYEES
 14 IN THE ILLINOIS MUNICIPAL RETIREMENT FUND

15 WHEREAS, Section 7-141.1 of the Illinois Pension Code
 16 provides that a participating employer may elect to adopt an
 17 early retirement incentive program offered by the Illinois
 18 Municipal Retirement Fund by adopting a resolution or
 19 ordinance; and

20 WHEREAS, The goal of adopting an early retirement program
 21 is to realize a substantial savings in personnel costs by
 22 offering early retirement incentives to employees who have
 23 accumulated many years of service credit; and

24 WHEREAS, Implementation of the early retirement program
 25 will provide a budgeting tool to aid in controlling payroll
 26 costs; and

27 WHEREAS, The (name of governing body) has determined that
 28 the adoption of an early retirement incentive program is in
 29 the best interests of the (name of participating employer);
 30 therefore be it

31 RESOLVED (ORDAINED) by the (name of governing body) of
 32 (name of participating employer) that:

33 (1) The (name of participating employer) does hereby
 34 adopt the Illinois Municipal Retirement Fund early retirement

1 incentive program as provided in Section 7-141.1 of the
2 Illinois Pension Code. The early retirement incentive
3 program shall take effect on (date).

4 (2) In order to help achieve a true cost savings, a
5 person who retires under the early retirement incentive
6 program shall lose those incentives if he or she later
7 accepts employment with any IMRF employer in a position for
8 which participation in IMRF is required or is elected by the
9 employee.

10 (3) In order to utilize an early retirement incentive as
11 a budgeting tool, the (name of participating employer) will
12 use its best efforts either to limit the number of employees
13 who replace the employees who retire under the early
14 retirement program or to limit the salaries paid to the
15 employees who replace the employees who retire under the
16 early retirement program.

17 (4) The effective date of each employee's retirement
18 under this early retirement program shall be set by (name of
19 employer) and shall be no earlier than the effective date of
20 the program and no later than one year after that effective
21 date; except that the employee may require that the
22 retirement date set by the employer be no later than the June
23 30 next occurring after the effective date of the program and
24 no earlier than the date upon which the employee qualifies
25 for retirement.

26 (5) To be eligible for the early retirement incentive
27 under this Section, the employee must have attained age 50
28 and have at least 20 years of creditable service by his or
29 her retirement date.

30 (6) The (clerk or secretary) shall promptly file a
31 certified copy of this resolution (ordinance) with the Board
32 of Trustees of the Illinois Municipal Retirement Fund.

33 CERTIFICATION

34 I, (name), the (clerk or secretary) of the (name of

1 participating employer) of the County of (name), State of
 2 Illinois, do hereby certify that I am the keeper of the books
 3 and records of the (name of employer) and that the foregoing
 4 is a true and correct copy of a resolution (ordinance) duly
 5 adopted by the (governing body) at a meeting duly convened
 6 and held on (date).

7 SEAL

8 (Signature of clerk or secretary)

9 (c) To be eligible for the benefits provided under an
 10 early retirement incentive program adopted under this
 11 Section, a member must:

12 (1) be a participating employee of this Fund who,
 13 on the effective date of the program, (i) is in active
 14 payroll status as an employee of a participating employer
 15 that has filed the required ordinance or resolution with
 16 the Board, (ii) is on layoff status from such a position
 17 with a right of re-employment or recall to service, (iii)
 18 is on a leave of absence from such a position, or (iv) is
 19 on disability but has not been receiving benefits under
 20 Section 7-146 or 7-150 for a period of more than 2 years
 21 from the date of application;

22 (2) have never previously received a retirement
 23 annuity under this Article or under the Retirement
 24 Systems Reciprocal Act using service credit established
 25 under this Article;

26 (3) (blank);

27 (4) have at least 20 years of creditable service in
 28 the Fund by the date of retirement, without the use of
 29 any creditable service established under this Section;

30 (5) have attained age 50 by the date of retirement,
 31 without the use of any age enhancement received under
 32 this Section; and

33 (6) be eligible to receive a retirement annuity
 34 under this Article by the date of retirement, for which

1 purpose the age enhancement and creditable service
2 established under this Section may be considered.

3 (d) The employer shall determine the retirement date for
4 each employee participating in the early retirement program
5 adopted under this Section. The retirement date shall be no
6 earlier than the effective date of the program and no later
7 than one year after that effective date, except that the
8 employee may require that the retirement date set by the
9 employer be no later than the June 30 next occurring after
10 the effective date of the program and no earlier than the
11 date upon which the employee qualifies for retirement. The
12 employer shall give each employee participating in the early
13 retirement program at least 30 days written notice of the
14 employee's designated retirement date, unless the employee
15 waives this notice requirement.

16 (e) An eligible person may establish up to 5 years of
17 creditable service under this Section. In addition, for each
18 period of creditable service established under this Section,
19 a person shall have his or her age at retirement deemed
20 enhanced by an equivalent period.

21 The creditable service established under this Section may
22 be used for all purposes under this Article and the
23 Retirement Systems Reciprocal Act, except for the computation
24 of final rate of earnings and the determination of earnings,
25 salary, or compensation under this or any other Article of
26 the Code.

27 The age enhancement established under this Section may be
28 used for all purposes under this Article (including
29 calculation of the reduction imposed under subdivision
30 (a)1b(iv) of Section 7-142), except for purposes of a
31 reversionary annuity under Section 7-145 and any
32 distributions required because of age. The age enhancement
33 established under this Section may be used in calculating a
34 proportionate annuity payable by this Fund under the

1 Retirement Systems Reciprocal Act, but shall not be used in
2 determining benefits payable under other Articles of this
3 Code under the Retirement Systems Reciprocal Act.

4 (f) For all creditable service established under this
5 Section, the member must pay to the Fund an employee
6 contribution consisting of 4.5% of the member's highest
7 annual salary rate used in the determination of the final
8 rate of earnings for retirement annuity purposes for each
9 year of creditable service granted under this Section. For
10 creditable service established under this Section by a person
11 who is a sheriff's law enforcement employee to be deemed
12 service as a sheriff's law enforcement employee, the employee
13 contribution shall be at the rate of 6.5% of highest annual
14 salary per year of creditable service granted. Contributions
15 for fractions of a year of service shall be prorated. Any
16 amounts that are disregarded in determining the final rate of
17 earnings under subdivision (d)(5) of Section 7-116 (the 125%
18 rule) shall also be disregarded in determining the required
19 contribution under this subsection (f).

20 The employee contribution shall be paid to the Fund as
21 follows: If the member is entitled to a lump sum payment for
22 accumulated vacation, sick leave, or personal leave upon
23 withdrawal from service, the employer shall deduct the
24 employee contribution from that lump sum and pay the deducted
25 amount directly to the Fund. If there is no such lump sum
26 payment or the required employee contribution exceeds the net
27 amount of the lump sum payment, then the remaining amount
28 due, at the option of the employee, may either be paid to the
29 Fund before the annuity commences or deducted from the
30 retirement annuity in 24 equal monthly installments.

31 (g) An annuitant who has received any age enhancement or
32 creditable service under this Section and thereafter accepts
33 employment with or enters into a personal services contract
34 with an employer under this Article thereby forfeits that age

1 enhancement and creditable service; except that this
2 restriction does not apply to service in an elective office,
3 so long as the annuitant does not participate in this Fund
4 with respect to that office. A person forfeiting early
5 retirement incentives under this subsection (i) must repay to
6 the Fund that portion of the retirement annuity already
7 received which is attributable to the early retirement
8 incentives that are being forfeited, (ii) shall not be
9 eligible to participate in any future early retirement
10 program adopted under this Section, and (iii) is entitled to
11 a refund of the employee contribution paid under subsection
12 (f). The Board shall deduct the required repayment from the
13 refund and may impose a reasonable payment schedule for
14 repaying the amount, if any, by which the required repayment
15 exceeds the refund amount.

16 (h) The additional unfunded liability accruing as a
17 result of the adoption of a program of early retirement
18 incentives under this Section by an employer shall be
19 amortized over a period of 10 years beginning on January 1 of
20 the second calendar year following the calendar year in which
21 the latest date for beginning to receive a retirement annuity
22 under the program (as determined by the employer under
23 subsection (d) of this Section) occurs; except that the
24 employer may provide for a shorter amortization period (of no
25 less than 5 years) by adopting an ordinance or resolution
26 specifying the length of the amortization period and
27 submitting a certified copy of the ordinance or resolution to
28 the Fund no later than 6 months after the effective date of
29 the program. An employer, at its discretion, may accelerate
30 payments to the Fund.

31 An employer may provide more than one early retirement
32 incentive program for its employees under this Section.
33 However, an employer that has provided an early retirement
34 incentive program for its employees under this Section may

1 not provide another early retirement incentive program under
2 this Section until the liability arising from the earlier
3 program has been fully paid to the Fund.

4 (Source: P.A. 90-32, eff. 6-27-97; 91-887, eff. 7-6-00.)

5 (40 ILCS 5/7-154) (from Ch. 108 1/2, par. 7-154)

6 Sec. 7-154. Surviving spouse annuities - Eligibility.

7 (a) A surviving spouse annuity shall be payable to the
8 eligible surviving spouse of a participating employee, an
9 employee annuitant, or a person who on the date of death
10 would have been entitled to a retirement annuity, had he
11 applied for such annuity, and who dies at any time when a
12 surviving spouse annuity equals at least \$5 per month,
13 provided:

14 (1) The surviving spouse (i) was married to the
15 participating employee for at least one year on the date
16 of death, or (ii) was married to the annuitant or person
17 entitled to a retirement annuity for at least one year
18 prior to the date of termination of service, or (iii) was
19 married to the deceased annuitant for at least one year
20 on the date of the deceased annuitant's death, if at the
21 time of termination of service the deceased annuitant was
22 married for at least one year to a spouse who does not
23 survive the deceased annuitant, or (iv) was married to
24 the deceased annuitant for at least 8 years on the date
25 of the deceased annuitant's death, and the annuitant was
26 unmarried at the time of termination of service. Item
27 (iv) applies without regard to whether the deceased
28 annuitant was in service on or after the effective date
29 of this amendatory Act of the 93rd General Assembly, but
30 only if (A) written application for the surviving spouse
31 annuity is received by the Fund within 30 days after that
32 effective date and (B) any refund of contributions for
33 surviving spouse annuity purposes has been repaid to the

1 Fund, with interest at the effective rate from the date
2 of the refund to the date of repayment.

3 (2) The male deceased employee annuitant or such
4 other person entitled to a retirement annuity had
5 contributed to this fund for surviving spouse annuity
6 purposes for at least one 1/2 year or continuously since
7 the effective date of the participating municipality or
8 participating instrumentality.

9 (3) The female deceased employee annuitant or such
10 other person entitled to a retirement annuity was in
11 service on or after July 27, 1972, provided that the
12 annuity shall not be computed on the basis of any
13 retirement annuity effective before that date.

14 (4) If the employee dies before termination of
15 service, the employee did not exclude the spouse from any
16 death benefit or surviving spouse annuity pursuant to
17 subsection (b) of Section 7-118. A designation of
18 beneficiary naming a spouse and children jointly or a
19 trust pursuant to subsection (b) of Section 7-118 shall
20 preclude payment of a surviving spouse annuity.

21 (b) If a person is the spouse of a retiring
22 participating employee on the date of the initial payment of
23 a retirement annuity and is qualified to receive a surviving
24 spouse annuity upon the death of the employee and the
25 surviving spouse contributions are not refunded to the
26 employee, then a surviving spouse annuity shall be payable to
27 that person even if the marriage to the employee is dissolved
28 after that date.

29 (c) Eligibility of a surviving spouse shall be
30 determined as of the date of death, except as otherwise
31 specifically provided in this Section. Only one surviving
32 spouse annuity shall be paid on account of the death of any
33 employee.

34 (Source: P.A. 87-740; 87-850.)

1 (40 ILCS 5/8-172) (from Ch. 108 1/2, par. 8-172)

2 Sec. 8-172. Refunds - Transfer of city contributions.

3 Whenever any amount is refunded as provided in Sections 8-168
4 and 8-169, except in the case of a male employee who becomes
5 a widower while in service after he becomes age 65, the
6 amounts to the credit of the male employee from contributions
7 by the city, shall be transferred to the prior service
8 annuity reserve. Thereafter, except as otherwise provided in
9 Section 8-172.1, any such amounts shall become a credit to
10 the city and, with interest thereon at the effective rate, be
11 used to reduce the amount which the city would otherwise pay
12 during a succeeding year.

13 (Source: Laws 1963, p. 161.)

14 (40 ILCS 5/8-172.1 new)

15 Sec. 8-172.1. Transfer of city contributions for
16 paramedics.

17 (a) Municipality credits computed and credited under
18 this Article 8 for all persons who (1) accumulated service
19 credit in this Article 8 fund for service as a paramedic, (2)
20 have terminated that Article 8 service credit and received a
21 refund of contributions, and (3) are participants in the
22 Article 6 fund on the effective date of this amendatory Act
23 of the 93rd General Assembly shall be transferred by this
24 Article 8 fund to the Article 6 fund together with interest
25 at the rate of 11% per annum, compounded annually, to the
26 date of transfer. The city shall not be responsible for
27 making any additional employer contributions to the Fund to
28 replace the amounts transferred under this Section.

29 (b) Municipality credits computed and credited under
30 this Article 8 for all persons who (1) accumulated service
31 credit in this Article 8 fund for service as a paramedic, (2)
32 have terminated that Article 8 service credit and received a
33 refund of contributions, and (3) are not participants in the

1 Article 6 fund on the effective date of this amendatory Act
2 of the 93rd General Assembly shall be used as provided in
3 Section 8-172.

4 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)
5 Sec. 14-103.05. Employee.

6 (a) Any person employed by a Department who receives
7 salary for personal services rendered to the Department on a
8 warrant issued pursuant to a payroll voucher certified by a
9 Department and drawn by the State Comptroller upon the State
10 Treasurer, including an elected official described in
11 subparagraph (d) of Section 14-104, shall become an employee
12 for purpose of membership in the Retirement System on the
13 first day of such employment.

14 A person entering service on or after January 1, 1972 and
15 prior to January 1, 1984 shall become a member as a condition
16 of employment and shall begin making contributions as of the
17 first day of employment.

18 A person entering service on or after January 1, 1984
19 shall, upon completion of 6 months of continuous service
20 which is not interrupted by a break of more than 2 months,
21 become a member as a condition of employment. Contributions
22 shall begin the first of the month after completion of the
23 qualifying period.

24 The qualifying period of 6 months of service is not
25 applicable to: (1) a person who has been granted credit for
26 service in a position covered by the State Universities
27 Retirement System, the Teachers' Retirement System of the
28 State of Illinois, the General Assembly Retirement System, or
29 the Judges Retirement System of Illinois unless that service
30 has been forfeited under the laws of those systems; (2) a
31 person entering service on or after July 1, 1991 in a
32 noncovered position; or (3) a person to whom Section
33 14-108.2a or 14-108.2b applies.

1 (b) The term "employee" does not include the following:

2 (1) members of the State Legislature, and persons
3 electing to become members of the General Assembly
4 Retirement System pursuant to Section 2-105;

5 (2) incumbents of offices normally filled by vote
6 of the people;

7 (3) except as otherwise provided in this Section,
8 any person appointed by the Governor with the advice and
9 consent of the Senate unless that person elects to
10 participate in this system;

11 (4) except as provided in Section 14-108.2 or
12 14-108.2c, any person who is covered or eligible to be
13 covered by the Teachers' Retirement System of the State
14 of Illinois, the State Universities Retirement System, or
15 the Judges Retirement System of Illinois;

16 (5) an employee of a municipality or any other
17 political subdivision of the State;

18 (6) any person who becomes an employee after June
19 30, 1979 as a public service employment program
20 participant under the Federal Comprehensive Employment
21 and Training Act and whose wages or fringe benefits are
22 paid in whole or in part by funds provided under such
23 Act;

24 (7) enrollees of the Illinois Young Adult
25 Conservation Corps program, administered by the
26 Department of Natural Resources, authorized grantee
27 pursuant to Title VIII of the "Comprehensive Employment
28 and Training Act of 1973", 29 USC 993, as now or
29 hereafter amended;

30 (8) enrollees and temporary staff of programs
31 administered by the Department of Natural Resources under
32 the Youth Conservation Corps Act of 1970;

33 (9) any person who is a member of any professional
34 licensing or disciplinary board created under an Act

1 administered by the Department of Professional Regulation
2 or a successor agency or created or re-created after the
3 effective date of this amendatory Act of 1997, and who
4 receives per diem compensation rather than a salary,
5 notwithstanding that such per diem compensation is paid
6 by warrant issued pursuant to a payroll voucher; such
7 persons have never been included in the membership of
8 this System, and this amendatory Act of 1987 (P.A.
9 84-1472) is not intended to effect any change in the
10 status of such persons;

11 (10) any person who is a member of the Illinois
12 Health Care Cost Containment Council, and receives per
13 diem compensation rather than a salary, notwithstanding
14 that such per diem compensation is paid by warrant issued
15 pursuant to a payroll voucher; such persons have never
16 been included in the membership of this System, and this
17 amendatory Act of 1987 is not intended to effect any
18 change in the status of such persons; or

19 (11) any person who is a member of the Oil and Gas
20 Board created by Section 1.2 of the Illinois Oil and Gas
21 Act, and receives per diem compensation rather than a
22 salary, notwithstanding that such per diem compensation
23 is paid by warrant issued pursuant to a payroll voucher.

24 (c) An individual who is employed on a full-time basis
25 as an officer or employee of a statewide labor organization
26 that represents members of this System may participate in the
27 System and shall be deemed an employee, provided that (1) the
28 individual has previously earned creditable service under
29 this Article, (2) the individual files with the System an
30 irrevocable election to become a participant, and (3) the
31 individual does not receive credit for that employment under
32 any other provision of this Code. An employee under this
33 subsection (c) is responsible for paying to the System both
34 (i) employee contributions based on the actual compensation

1 received for service with the labor organization and (ii)
2 employer contributions based on the percentage of payroll
3 certified by the board; all or any part of these
4 contributions may be paid on the employee's behalf or picked
5 up for tax purposes (if authorized under federal law) by the
6 labor organization.

7 A person who is an employee as defined in this subsection
8 may establish service credit for similar employment prior to
9 becoming an employee under this subsection by paying to the
10 System for that employment the contributions specified in
11 this subsection, plus interest at the effective rate from the
12 date of service to the date of payment. However, credit
13 shall not be granted under this subsection for any such prior
14 employment for which the applicant received credit under any
15 other provision of this Code, or during which the applicant
16 was on a leave of absence.

17 (Source: P.A. 92-14, eff. 6-28-01.)

18 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

19 Sec. 14-104. Service for which contributions permitted.
20 Contributions provided for in this Section shall cover the
21 period of service granted. Except as otherwise provided in
22 this Section, the contributions shall be based upon the
23 employee's compensation and contribution rate in effect on
24 the date he last became a member of the System; provided that
25 for all employment prior to January 1, 1969 the contribution
26 rate shall be that in effect for a noncovered employee on the
27 date he last became a member of the System. Except as
28 otherwise provided in this Section, contributions permitted
29 under this Section shall include regular interest from the
30 date an employee last became a member of the System to the
31 date of payment.

32 These contributions must be paid in full before
33 retirement either in a lump sum or in installment payments in

1 accordance with such rules as may be adopted by the board.

2 (a) Any member may make contributions as required in
3 this Section for any period of service, subsequent to the
4 date of establishment, but prior to the date of membership.

5 (b) Any employee who had been previously excluded from
6 membership because of age at entry and subsequently became
7 eligible may elect to make contributions as required in this
8 Section for the period of service during which he was
9 ineligible.

10 (c) An employee of the Department of Insurance who,
11 after January 1, 1944 but prior to becoming eligible for
12 membership, received salary from funds of insurance companies
13 in the process of rehabilitation, liquidation, conservation
14 or dissolution, may elect to make contributions as required
15 in this Section for such service.

16 (d) Any employee who rendered service in a State office
17 to which he was elected, or rendered service in the elective
18 office of Clerk of the Appellate Court prior to the date he
19 became a member, may make contributions for such service as
20 required in this Section. Any member who served by
21 appointment of the Governor under the Civil Administrative
22 Code of Illinois and did not participate in this System may
23 make contributions as required in this Section for such
24 service.

25 (e) Any person employed by the United States government
26 or any instrumentality or agency thereof from January 1, 1942
27 through November 15, 1946 as the result of a transfer from
28 State service by executive order of the President of the
29 United States shall be entitled to prior service credit
30 covering the period from January 1, 1942 through December 31,
31 1943 as provided for in this Article and to membership
32 service credit for the period from January 1, 1944 through
33 November 15, 1946 by making the contributions required in
34 this Section. A person so employed on January 1, 1944 but

1 whose employment began after January 1, 1942 may qualify for
2 prior service and membership service credit under the same
3 conditions.

4 (f) An employee of the Department of Labor of the State
5 of Illinois who performed services for and under the
6 supervision of that Department prior to January 1, 1944 but
7 who was compensated for those services directly by federal
8 funds and not by a warrant of the Auditor of Public Accounts
9 paid by the State Treasurer may establish credit for such
10 employment by making the contributions required in this
11 Section. An employee of the Department of Agriculture of the
12 State of Illinois, who performed services for and under the
13 supervision of that Department prior to June 1, 1963, but was
14 compensated for those services directly by federal funds and
15 not paid by a warrant of the Auditor of Public Accounts paid
16 by the State Treasurer, and who did not contribute to any
17 other public employee retirement system for such service, may
18 establish credit for such employment by making the
19 contributions required in this Section.

20 (g) Any employee who executed a waiver of membership
21 within 60 days prior to January 1, 1944 may, at any time
22 while in the service of a department, file with the board a
23 rescission of such waiver. Upon making the contributions
24 required by this Section, the member shall be granted the
25 creditable service that would have been received if the
26 waiver had not been executed.

27 (h) Until May 1, 1990, an employee who was employed on a
28 full-time basis by a regional planning commission for at
29 least 5 continuous years may establish creditable service for
30 such employment by making the contributions required under
31 this Section, provided that any credits earned by the
32 employee in the commission's retirement plan have been
33 terminated.

34 (i) Any person who rendered full time contractual

1 services to the General Assembly as a member of a legislative
2 staff may establish service credit for up to 8 years of such
3 services by making the contributions required under this
4 Section, provided that application therefor is made not later
5 than March 1, 2004 ~~July-17-1991~~.

6 (j) By paying the contributions otherwise required under
7 this Section, plus an amount determined by the Board to be
8 equal to the employer's normal cost of the benefit plus
9 interest, but with all of the interest calculated from the
10 date the employee last became a member of the System or
11 November 19, 1991, whichever is later, to the date of
12 payment, an employee may establish service credit for a
13 period of up to 2 years spent in active military service for
14 which he does not qualify for credit under Section 14-105,
15 provided that (1) he was not dishonorably discharged from
16 such military service, and (2) the amount of service credit
17 established by a member under this subsection (j), when added
18 to the amount of military service credit granted to the
19 member under subsection (b) of Section 14-105, shall not
20 exceed 5 years. The change in the manner of calculating
21 interest under this subsection (j) made by this amendatory
22 Act of the 92nd General Assembly applies to credit purchased
23 by an employee on or after its effective date and does not
24 entitle any person to a refund of contributions or interest
25 already paid.

26 (k) An employee who was employed on a full-time basis by
27 the Illinois State's Attorneys Association Statewide
28 Appellate Assistance Service LEAA-ILEC grant project prior to
29 the time that project became the State's Attorneys Appellate
30 Service Commission, now the Office of the State's Attorneys
31 Appellate Prosecutor, an agency of State government, may
32 establish creditable service for not more than 60 months
33 service for such employment by making contributions required
34 under this Section.

1 (1) By paying the contributions otherwise required under
2 this Section, plus an amount determined by the Board to be
3 equal to the employer's normal cost of the benefit plus
4 interest, a member may establish service credit for periods
5 of less than one year spent on authorized leave of absence
6 from service, provided that (1) the period of leave began on
7 or after January 1, 1982 and (2) any credit established by
8 the member for the period of leave in any other public
9 employee retirement system has been terminated. A member may
10 establish service credit under this subsection for more than
11 one period of authorized leave, and in that case the total
12 period of service credit established by the member under this
13 subsection may exceed one year. In determining the
14 contributions required for establishing service credit under
15 this subsection, the interest shall be calculated from the
16 beginning of the leave of absence to the date of payment.

17 (m) Any person who rendered contractual services to a
18 member of the General Assembly as a worker in the member's
19 district office may establish creditable service for up to 3
20 years of those contractual services by making the
21 contributions required under this Section. The System shall
22 determine a full-time salary equivalent for the purpose of
23 calculating the required contribution. To establish credit
24 under this subsection, the applicant must apply to the System
25 by March 1, 2004 1998.

26 (n) Any person who rendered contractual services to a
27 member of the General Assembly as a worker providing
28 constituent services to persons in the member's district may
29 establish creditable service for up to 8 years of those
30 contractual services by making the contributions required
31 under this Section. The System shall determine a full-time
32 salary equivalent for the purpose of calculating the required
33 contribution. To establish credit under this subsection, the
34 applicant must apply to the System by March 1, 2004 1998.

1 (o) A member who participated in the Illinois
2 Legislative Staff Internship Program may establish creditable
3 service for up to one year of that participation by making
4 the contribution required under this Section. The System
5 shall determine a full-time salary equivalent for the purpose
6 of calculating the required contribution. Credit may not be
7 established under this subsection for any period for which
8 service credit is established under any other provision of
9 this Code.

10 (p) By paying the contributions otherwise required under
11 this Section, plus an amount determined by the Board to be
12 equal to the employer's normal cost of the benefit plus
13 interest, a member who has 95 months of service credit may
14 establish one additional month of service credit and thereby
15 meet the 8-year vesting requirement for a retirement annuity
16 under Section 14-107.

17 (Source: P.A. 92-54, eff. 7-12-01.)

18 (40 ILCS 5/14-104.12 new)

19 Sec. 14-104.12. Credit for employment with the Illinois
20 Sports Facilities Authority Board.

21 (a) A person who has service credit in the System and
22 has not yet begun to receive a retirement annuity may
23 establish service credit in this System for periods before
24 the effective date of this Section during which he or she was
25 employed by the Illinois Sports Facilities Authority Board or
26 its predecessor entities, provided that the person does not
27 have credit for those periods in any other public employee
28 pension fund or retirement system and has terminated
29 participation with respect to those periods of employment in
30 any pension or retirement program established by the
31 Authority or its predecessor entities. A person need not
32 establish credit for all such periods and may not establish
33 more than 10 years of service credit under this subsection.

1 The credit established shall be deemed to relate to the
2 earliest period for which the credit may be established.

3 In order to establish this credit, the person must apply
4 in writing to the Board and pay to the System an amount equal
5 to the sum of: (i) employee contributions based upon the
6 period of credit to be established, the employee contribution
7 rate in effect at the time of application, and the
8 applicant's salary rate on the last day of service in the
9 System before his or her employment with the Authority, or
10 the first day of service in the System after that employment,
11 whichever is higher; (ii) the employer's normal cost of the
12 benefits accrued for the credit being established, as
13 determined by the Board; and (iii) regular interest on items
14 (i) and (ii) from the date of the service for which credit is
15 being established to the date of payment. The applicant must
16 pay the required contribution to the System before the
17 retirement annuity begins.

18 (b) A person wishing to establish service credit under
19 subsection (a) may reinstate creditable service terminated
20 upon receipt of a refund in accordance with the provisions of
21 Section 14-130(b).

22 (c) An eligible person may establish service credit
23 under subsection (a) without returning to active service as
24 an employee under this Article, but the required
25 contributions must be received by the System before the
26 person begins to receive a retirement annuity under this
27 Article.

28 (40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)
29 Sec. 14-110. Alternative retirement annuity.

30 (a) Any member who has withdrawn from service with not
31 less than 20 years of eligible creditable service and has
32 attained age 55, and any member who has withdrawn from
33 service with not less than 25 years of eligible creditable

1 service and has attained age 50, regardless of whether the
2 attainment of either of the specified ages occurs while the
3 member is still in service, shall be entitled to receive at
4 the option of the member, in lieu of the regular or minimum
5 retirement annuity, a retirement annuity computed as
6 follows:

7 (i) for periods of service as a noncovered
8 employee: if retirement occurs on or after January 1,
9 2001, 3% of final average compensation for each year of
10 creditable service; if retirement occurs before January
11 1, 2001, 2 1/4% of final average compensation for each of
12 the first 10 years of creditable service, 2 1/2% for each
13 year above 10 years to and including 20 years of
14 creditable service, and 2 3/4% for each year of
15 creditable service above 20 years; and

16 (ii) for periods of eligible creditable service as
17 a covered employee: if retirement occurs on or after
18 January 1, 2001, 2.5% of final average compensation for
19 each year of creditable service; if retirement occurs
20 before January 1, 2001, 1.67% of final average
21 compensation for each of the first 10 years of such
22 service, 1.90% for each of the next 10 years of such
23 service, 2.10% for each year of such service in excess of
24 20 but not exceeding 30, and 2.30% for each year in
25 excess of 30.

26 Such annuity shall be subject to a maximum of 75% of
27 final average compensation if retirement occurs before
28 January 1, 2001 or to a maximum of 80% of final average
29 compensation if retirement occurs on or after January 1,
30 2001.

31 These rates shall not be applicable to any service
32 performed by a member as a covered employee which is not
33 eligible creditable service. Service as a covered employee
34 which is not eligible creditable service shall be subject to

1 the rates and provisions of Section 14-108.

2 (b) For the purpose of this Section, "eligible
3 creditable service" means creditable service resulting from
4 service in one or more of the following positions:

5 (1) State policeman;

6 (2) fire fighter in the fire protection service of
7 a department;

8 (3) air pilot;

9 (4) special agent;

10 (5) investigator for the Secretary of State;

11 (6) conservation police officer;

12 (7) investigator for the Department of Revenue;

13 (8) security employee of the Department of Human
14 Services;

15 (9) Central Management Services security police
16 officer;

17 (10) security employee of the Department of
18 Corrections;

19 (11) dangerous drugs investigator;

20 (12) investigator for the Department of State
21 Police;

22 (13) investigator for the Office of the Attorney
23 General;

24 (14) controlled substance inspector;

25 (15) investigator for the Office of the State's
26 Attorneys Appellate Prosecutor;

27 (16) Commerce Commission police officer;

28 (17) arson investigator;

29 (18) State highway maintenance worker;

30 (19) military security police officer.

31 A person employed in one of the positions specified in
32 this subsection is entitled to eligible creditable service
33 for service credit earned under this Article while undergoing
34 the basic police training course approved by the Illinois Law

1 Enforcement Training Standards Board, if completion of that
2 training is required of persons serving in that position. For
3 the purposes of this Code, service during the required basic
4 police training course shall be deemed performance of the
5 duties of the specified position, even though the person is
6 not a sworn peace officer at the time of the training.

7 (c) For the purposes of this Section:

8 (1) The term "state policeman" includes any title
9 or position in the Department of State Police that is
10 held by an individual employed under the State Police
11 Act.

12 (2) The term "fire fighter in the fire protection
13 service of a department" includes all officers in such
14 fire protection service including fire chiefs and
15 assistant fire chiefs.

16 (3) The term "air pilot" includes any employee
17 whose official job description on file in the Department
18 of Central Management Services, or in the department by
19 which he is employed if that department is not covered by
20 the Personnel Code, states that his principal duty is the
21 operation of aircraft, and who possesses a pilot's
22 license; however, the change in this definition made by
23 this amendatory Act of 1983 shall not operate to exclude
24 any noncovered employee who was an "air pilot" for the
25 purposes of this Section on January 1, 1984.

26 (4) The term "special agent" means any person who
27 by reason of employment by the Division of Narcotic
28 Control, the Bureau of Investigation or, after July 1,
29 1977, the Division of Criminal Investigation, the
30 Division of Internal Investigation, the Division of
31 Operations, or any other Division or organizational
32 entity in the Department of State Police is vested by law
33 with duties to maintain public order, investigate
34 violations of the criminal law of this State, enforce the

1 laws of this State, make arrests and recover property.
2 The term "special agent" includes any title or position
3 in the Department of State Police that is held by an
4 individual employed under the State Police Act.

5 (5) The term "investigator for the Secretary of
6 State" means any person employed by the Office of the
7 Secretary of State and vested with such investigative
8 duties as render him ineligible for coverage under the
9 Social Security Act by reason of Sections 218(d)(5)(A),
10 218(d)(8)(D) and 218(1)(1) of that Act.

11 A person who became employed as an investigator for
12 the Secretary of State between January 1, 1967 and
13 December 31, 1975, and who has served as such until
14 attainment of age 60, either continuously or with a
15 single break in service of not more than 3 years
16 duration, which break terminated before January 1, 1976,
17 shall be entitled to have his retirement annuity
18 calculated in accordance with subsection (a),
19 notwithstanding that he has less than 20 years of credit
20 for such service.

21 (6) The term "Conservation Police Officer" means
22 any person employed by the Division of Law Enforcement of
23 the Department of Natural Resources and vested with such
24 law enforcement duties as render him ineligible for
25 coverage under the Social Security Act by reason of
26 Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of
27 that Act. The term "Conservation Police Officer"
28 includes the positions of Chief Conservation Police
29 Administrator and Assistant Conservation Police
30 Administrator.

31 (7) The term "investigator for the Department of
32 Revenue" means any person employed by the Department of
33 Revenue and vested with such investigative duties as
34 render him ineligible for coverage under the Social

1 Security Act by reason of Sections 218(d)(5)(A),
2 218(d)(8)(D) and 218(1)(1) of that Act.

3 (8) The term "security employee of the Department
4 of Human Services" means any person employed by the
5 Department of Human Services who (i) is employed at the
6 Chester Mental Health Center and has daily contact with
7 the residents thereof, (ii) is employed within a security
8 unit at a facility operated by the Department and has
9 daily contact with the residents of the security unit,
10 (iii) is employed at a facility operated by the
11 Department that includes a security unit and is regularly
12 scheduled to work at least 50% of his or her working
13 hours within that security unit, or (iv) is a mental
14 health police officer. "Mental health police officer"
15 means any person employed by the Department of Human
16 Services in a position pertaining to the Department's
17 mental health and developmental disabilities functions
18 who is vested with such law enforcement duties as render
19 the person ineligible for coverage under the Social
20 Security Act by reason of Sections 218(d)(5)(A),
21 218(d)(8)(D) and 218(1)(1) of that Act. "Security unit"
22 means that portion of a facility that is devoted to the
23 care, containment, and treatment of persons committed to
24 the Department of Human Services as sexually violent
25 persons, persons unfit to stand trial, or persons not
26 guilty by reason of insanity. With respect to past
27 employment, references to the Department of Human
28 Services include its predecessor, the Department of
29 Mental Health and Developmental Disabilities.

30 The changes made to this subdivision (c)(8) by
31 Public Act 92-14 apply to persons who retire on or after
32 January 1, 2001, notwithstanding Section 1-103.1.

33 (9) "Central Management Services security police
34 officer" means any person employed by the Department of

1 Central Management Services who is vested with such law
2 enforcement duties as render him ineligible for coverage
3 under the Social Security Act by reason of Sections
4 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

5 (10) The term "security employee of the Department
6 of Corrections" means any employee of the Department of
7 Corrections or the former Department of Personnel, and
8 any member or employee of the Prisoner Review Board, who
9 has daily contact with inmates by working within a
10 correctional facility or who is a parole officer or an
11 employee who has direct contact with committed persons in
12 the performance of his or her job duties.

13 (11) The term "dangerous drugs investigator" means
14 any person who is employed as such by the Department of
15 Human Services.

16 (12) The term "investigator for the Department of
17 State Police" means a person employed by the Department
18 of State Police who is vested under Section 4 of the
19 Narcotic Control Division Abolition Act with such law
20 enforcement powers as render him ineligible for coverage
21 under the Social Security Act by reason of Sections
22 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

23 (13) "Investigator for the Office of the Attorney
24 General" means any person who is employed as such by the
25 Office of the Attorney General and is vested with such
26 investigative duties as render him ineligible for
27 coverage under the Social Security Act by reason of
28 Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that
29 Act. For the period before January 1, 1989, the term
30 includes all persons who were employed as investigators
31 by the Office of the Attorney General, without regard to
32 social security status.

33 (14) "Controlled substance inspector" means any
34 person who is employed as such by the Department of

1 Professional Regulation and is vested with such law
2 enforcement duties as render him ineligible for coverage
3 under the Social Security Act by reason of Sections
4 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.
5 The term "controlled substance inspector" includes the
6 Program Executive of Enforcement and the Assistant
7 Program Executive of Enforcement.

8 (15) The term "investigator for the Office of the
9 State's Attorneys Appellate Prosecutor" means a person
10 employed in that capacity on a full time basis under the
11 authority of Section 7.06 of the State's Attorneys
12 Appellate Prosecutor's Act.

13 (16) "Commerce Commission police officer" means any
14 person employed by the Illinois Commerce Commission who
15 is vested with such law enforcement duties as render him
16 ineligible for coverage under the Social Security Act by
17 reason of Sections 218(d)(5)(A), 218(d)(8)(D), and
18 218(1)(1) of that Act.

19 (17) "Arson investigator" means any person who is
20 employed as such by the Office of the State Fire Marshal
21 and is vested with such law enforcement duties as render
22 the person ineligible for coverage under the Social
23 Security Act by reason of Sections 218(d)(5)(A),
24 218(d)(8)(D), and 218(1)(1) of that Act. A person who
25 was employed as an arson investigator on January 1, 1995
26 and is no longer in service but not yet receiving a
27 retirement annuity may convert his or her creditable
28 service for employment as an arson investigator into
29 eligible creditable service by paying to the System the
30 difference between the employee contributions actually
31 paid for that service and the amounts that would have
32 been contributed if the applicant were contributing at
33 the rate applicable to persons with the same social
34 security status earning eligible creditable service on

1 the date of application.

2 (18) The term "State highway maintenance worker"
3 means a person who is either of the following:

4 (i) A person employed on a full-time basis by
5 the Illinois Department of Transportation in the
6 position of highway maintainer, highway maintenance
7 lead worker, highway maintenance lead/lead worker,
8 highway construction supervisor (grade 1 or 2,)
9 heavy construction equipment operator, power shovel
10 operator, sign hanger, sign hanger foreman,
11 silkscreen operator (but only when employed in IDOT
12 District 9 and only if so employed in the District
13 on the effective date of this amendatory Act of the
14 93rd General Assembly), or bridge mechanic; and
15 whose principal responsibility is to perform, on the
16 roadway, the actual maintenance necessary to keep
17 the highways that form a part of the State highway
18 system in serviceable condition for vehicular
19 traffic.

20 (ii) A person employed on a full-time basis by
21 the Illinois State Toll Highway Authority in the
22 position of equipment operator/laborer H-4,
23 equipment operator/laborer H-6, welder H-4,
24 welder H-6, mechanical/electrical H-4,
25 mechanical/electrical H-6, water/sewer H-4,
26 water/sewer H-6, sign maker/hanger H-4, sign
27 maker/hanger H-6, roadway lighting H-4, roadway
28 lighting H-6, structural H-4, structural H-6,
29 painter H-4, or painter H-6; and whose principal
30 responsibility is to perform, on the roadway, the
31 actual maintenance necessary to keep the Authority's
32 tollways in serviceable condition for vehicular
33 traffic.

34 (19) "Military security police officer" means any

1 person employed by the Department of Military Affairs in
2 the position of military security police I or military
3 security police II (or the predecessor job titles
4 military security guard 1 or military security guard 2).

5 (d) A security employee of the Department of
6 Corrections, and a security employee of the Department of
7 Human Services who is not a mental health police officer,
8 shall not be eligible for the alternative retirement annuity
9 provided by this Section unless he or she meets the following
10 minimum age and service requirements at the time of
11 retirement:

12 (i) 25 years of eligible creditable service and age
13 55; or

14 (ii) beginning January 1, 1987, 25 years of
15 eligible creditable service and age 54, or 24 years of
16 eligible creditable service and age 55; or

17 (iii) beginning January 1, 1988, 25 years of
18 eligible creditable service and age 53, or 23 years of
19 eligible creditable service and age 55; or

20 (iv) beginning January 1, 1989, 25 years of
21 eligible creditable service and age 52, or 22 years of
22 eligible creditable service and age 55; or

23 (v) beginning January 1, 1990, 25 years of eligible
24 creditable service and age 51, or 21 years of eligible
25 creditable service and age 55; or

26 (vi) beginning January 1, 1991, 25 years of
27 eligible creditable service and age 50, or 20 years of
28 eligible creditable service and age 55.

29 Persons who have service credit under Article 16 of this
30 Code for service as a security employee of the Department of
31 Corrections or the Department of Human Services in a position
32 requiring certification as a teacher may count such service
33 toward establishing their eligibility under the service
34 requirements of this Section; but such service may be used

1 only for establishing such eligibility, and not for the
2 purpose of increasing or calculating any benefit.

3 (e) If a member enters military service while working in
4 a position in which eligible creditable service may be
5 earned, and returns to State service in the same or another
6 such position, and fulfills in all other respects the
7 conditions prescribed in this Article for credit for military
8 service, such military service shall be credited as eligible
9 creditable service for the purposes of the retirement annuity
10 prescribed in this Section.

11 (f) For purposes of calculating retirement annuities
12 under this Section, periods of service rendered after
13 December 31, 1968 and before October 1, 1975 as a covered
14 employee in the position of special agent, conservation
15 police officer, mental health police officer, or investigator
16 for the Secretary of State, shall be deemed to have been
17 service as a noncovered employee, provided that the employee
18 pays to the System prior to retirement an amount equal to (1)
19 the difference between the employee contributions that would
20 have been required for such service as a noncovered employee,
21 and the amount of employee contributions actually paid, plus
22 (2) if payment is made after July 31, 1987, regular interest
23 on the amount specified in item (1) from the date of service
24 to the date of payment.

25 For purposes of calculating retirement annuities under
26 this Section, periods of service rendered after December 31,
27 1968 and before January 1, 1982 as a covered employee in the
28 position of investigator for the Department of Revenue shall
29 be deemed to have been service as a noncovered employee,
30 provided that the employee pays to the System prior to
31 retirement an amount equal to (1) the difference between the
32 employee contributions that would have been required for such
33 service as a noncovered employee, and the amount of employee
34 contributions actually paid, plus (2) if payment is made

1 after January 1, 1990, regular interest on the amount
2 specified in item (1) from the date of service to the date of
3 payment.

4 (g) A State policeman may elect, not later than January
5 1, 1990, to establish eligible creditable service for up to
6 10 years of his service as a policeman under Article 3, by
7 filing a written election with the Board, accompanied by
8 payment of an amount to be determined by the Board, equal to
9 (i) the difference between the amount of employee and
10 employer contributions transferred to the System under
11 Section 3-110.5, and the amounts that would have been
12 contributed had such contributions been made at the rates
13 applicable to State policemen, plus (ii) interest thereon at
14 the effective rate for each year, compounded annually, from
15 the date of service to the date of payment.

16 Subject to the limitation in subsection (i), a State
17 policeman may elect, not later than July 1, 1993, to
18 establish eligible creditable service for up to 10 years of
19 his service as a member of the County Police Department under
20 Article 9, by filing a written election with the Board,
21 accompanied by payment of an amount to be determined by the
22 Board, equal to (i) the difference between the amount of
23 employee and employer contributions transferred to the System
24 under Section 9-121.10 and the amounts that would have been
25 contributed had those contributions been made at the rates
26 applicable to State policemen, plus (ii) interest thereon at
27 the effective rate for each year, compounded annually, from
28 the date of service to the date of payment.

29 (h) Subject to the limitation in subsection (i), a State
30 policeman or investigator for the Secretary of State may
31 elect to establish eligible creditable service for up to 12
32 years of his service as a policeman under Article 5, by
33 filing a written election with the Board on or before January
34 31, 1992, and paying to the System by January 31, 1994 an

1 amount to be determined by the Board, equal to (i) the
2 difference between the amount of employee and employer
3 contributions transferred to the System under Section 5-236,
4 and the amounts that would have been contributed had such
5 contributions been made at the rates applicable to State
6 policemen, plus (ii) interest thereon at the effective rate
7 for each year, compounded annually, from the date of service
8 to the date of payment.

9 Subject to the limitation in subsection (i), a State
10 policeman, conservation police officer, or investigator for
11 the Secretary of State may elect to establish eligible
12 creditable service for up to 10 years of service as a
13 sheriff's law enforcement employee under Article 7, by filing
14 a written election with the Board on or before January 31,
15 1993, and paying to the System by January 31, 1994 an amount
16 to be determined by the Board, equal to (i) the difference
17 between the amount of employee and employer contributions
18 transferred to the System under Section 7-139.7, and the
19 amounts that would have been contributed had such
20 contributions been made at the rates applicable to State
21 policemen, plus (ii) interest thereon at the effective rate
22 for each year, compounded annually, from the date of service
23 to the date of payment.

24 (i) The total amount of eligible creditable service
25 established by any person under subsections (g), (h), (j),
26 (k), and (l) of this Section shall not exceed 12 years.

27 (j) Subject to the limitation in subsection (i), an
28 investigator for the Office of the State's Attorneys
29 Appellate Prosecutor or a controlled substance inspector may
30 elect to establish eligible creditable service for up to 10
31 years of his service as a policeman under Article 3 or a
32 sheriff's law enforcement employee under Article 7, by filing
33 a written election with the Board, accompanied by payment of
34 an amount to be determined by the Board, equal to (1) the

1 difference between the amount of employee and employer
2 contributions transferred to the System under Section 3-110.6
3 or 7-139.8, and the amounts that would have been contributed
4 had such contributions been made at the rates applicable to
5 State policemen, plus (2) interest thereon at the effective
6 rate for each year, compounded annually, from the date of
7 service to the date of payment.

8 (k) Subject to the limitation in subsection (i) of this
9 Section, an alternative formula employee may elect to
10 establish eligible creditable service for periods spent as a
11 full-time law enforcement officer or full-time corrections
12 officer employed by the federal government or by a state or
13 local government located outside of Illinois, for which
14 credit is not held in any other public employee pension fund
15 or retirement system. To obtain this credit, the applicant
16 must file a written application with the Board by March 31,
17 1998, accompanied by evidence of eligibility acceptable to
18 the Board and payment of an amount to be determined by the
19 Board, equal to (1) employee contributions for the credit
20 being established, based upon the applicant's salary on the
21 first day as an alternative formula employee after the
22 employment for which credit is being established and the
23 rates then applicable to alternative formula employees, plus
24 (2) an amount determined by the Board to be the employer's
25 normal cost of the benefits accrued for the credit being
26 established, plus (3) regular interest on the amounts in
27 items (1) and (2) from the first day as an alternative
28 formula employee after the employment for which credit is
29 being established to the date of payment.

30 (l) Subject to the limitation in subsection (i), a
31 security employee of the Department of Corrections may elect,
32 not later than July 1, 1998, to establish eligible creditable
33 service for up to 10 years of his or her service as a
34 policeman under Article 3, by filing a written election with

1 the Board, accompanied by payment of an amount to be
2 determined by the Board, equal to (i) the difference between
3 the amount of employee and employer contributions transferred
4 to the System under Section 3-110.5, and the amounts that
5 would have been contributed had such contributions been made
6 at the rates applicable to security employees of the
7 Department of Corrections, plus (ii) interest thereon at the
8 effective rate for each year, compounded annually, from the
9 date of service to the date of payment.

10 (Source: P.A. 91-357, eff. 7-29-99; 91-760, eff. 1-1-01;
11 92-14, eff. 6-28-01; 92-257, eff. 8-6-01; 92-651, eff.
12 7-11-02.)

13 (40 ILCS 5/14-119) (from Ch. 108 1/2, par. 14-119)

14 Sec. 14-119. Amount of widow's annuity.

15 (a) The widow's annuity shall be 50% of the amount of
16 retirement annuity payable to the member on the date of death
17 while on retirement if an annuitant, or on the date of his
18 death while in service if an employee, regardless of his age
19 on such date, or on the date of withdrawal if death occurred
20 after termination of service under the conditions prescribed
21 in the preceding Section.

22 (b) If an eligible widow, regardless of age, has in her
23 care any unmarried child or children of the member under age
24 18 (under age 22 if a full-time student), the widow's annuity
25 shall be increased in the amount of 5% of the retirement
26 annuity for each such child, but the combined payments for a
27 widow and children shall not exceed 66 2/3% of the member's
28 earned retirement annuity.

29 The amount of retirement annuity from which the widow's
30 annuity is derived shall be that earned by the member without
31 regard to whether he attained age 60 prior to his withdrawal
32 under the conditions stated or prior to his death.

33 (c) Adopted children shall be considered as children of

1 the member only if the proceedings for adoption were
2 commenced at least 1 year prior to the member's death.

3 Marriage of a child shall render the child ineligible for
4 further consideration in the increase in the amount of the
5 widow's annuity.

6 Attainment of age 18 (age 22 if a full-time student)
7 shall render a child ineligible for further consideration in
8 the increase of the widow's annuity, but the annuity to the
9 widow shall be continued thereafter, without regard to her
10 age at that time.

11 (d) Until January 1, 2004, a widow's annuity payable on
12 account of any covered employee who has ~~shall~~--have been a
13 covered employee for at least 18 months shall be reduced by
14 1/2 of the amount of survivors benefits to which his
15 beneficiaries are eligible under the provisions of the
16 Federal Social Security Act, except that (1) the amount of
17 any widow's annuity payable under this Article shall not be
18 reduced by reason of any increase under that Act which occurs
19 after the offset required by this subsection is first applied
20 to that annuity, and (2) for benefits granted on or after
21 January 1, 1992, the offset under this subsection (d) shall
22 not exceed 50% of the amount of widow's annuity otherwise
23 payable.

24 Beginning January 1, 2004, the offset under this
25 subsection (d) shall no longer be applied to any widow's
26 annuity, regardless of whether the deceased employee was in
27 service on or after the effective date of this amendatory Act
28 of the 93rd General Assembly.

29 (e) Upon the death of a recipient of a widow's annuity
30 the excess, if any, of the member's accumulated
31 contributions plus credited interest over all annuity
32 payments to the member and widow, exclusive of the \$500 lump
33 sum payment, shall be paid to the named beneficiary of the
34 widow, or if none has been named, to the estate of the widow,

1 provided no reversionary annuity is payable.

2 (f) On January 1, 1981, any recipient of a widow's
3 annuity who was receiving a widow's annuity on or before
4 January 1, 1971, shall have her widow's annuity then being
5 paid increased by 1% for each full year which has elapsed
6 from the date the widow's annuity began. On January 1, 1982,
7 any recipient of a widow's annuity who began receiving a
8 widow's annuity after January 1, 1971, but before January 1,
9 1981, shall have her widow's annuity then being paid
10 increased by 1% for each full year which has elapsed from the
11 date the widow's annuity began. On January 1, 1987, any
12 recipient of a widow's annuity who began receiving the
13 widow's annuity on or before January 1, 1977, shall have the
14 monthly widow's annuity increased by \$1 for each full year
15 which has elapsed since the date the annuity began.

16 (g) Beginning January 1, 1990, every widow's annuity
17 shall be increased (1) on each January 1 occurring on or
18 after the commencement of the annuity if the deceased member
19 died while receiving a retirement annuity, or (2) in other
20 cases, on each January 1 occurring on or after the first
21 anniversary of the commencement of the annuity, by an amount
22 equal to 3% of the current amount of the annuity, including
23 any previous increases under this Article. Such increases
24 shall apply without regard to whether the deceased member was
25 in service on or after the effective date of Public Act
26 86-1488, but shall not accrue for any period prior to January
27 1, 1990.

28 (Source: P.A. 90-448, eff. 8-16-97.)

29 (40 ILCS 5/14-121) (from Ch. 108 1/2, par. 14-121)

30 Sec. 14-121. Amount of survivors annuity. A survivors
31 annuity beneficiary shall be entitled upon death of the
32 member to a single sum payment of \$1,000, payable pro rata
33 among all persons entitled thereto, together with a survivors

1 annuity payable at the rates and under the conditions
2 specified in this Article.

3 (a) If the survivors annuity beneficiary is a spouse,
4 the survivors annuity shall be 30% of final average
5 compensation subject to a maximum payment of \$400 per month.

6 (b) If an eligible child or children under the care of a
7 spouse also survives the member, such spouse as natural
8 guardian of the child or children shall receive, in addition
9 to the foregoing annuity, 20% of final average compensation
10 on account of each such child and 10% of final average
11 compensation divided pro rata among such children, subject to
12 a maximum payment on account of all survivor annuity
13 beneficiaries of \$600 per month, or 80% of the member's final
14 average compensation, whichever is the lesser.

15 (c) If the survivors annuity beneficiary or
16 beneficiaries consists of an unmarried child or children, the
17 amount of survivors annuity shall be 20% of final average
18 compensation to each child, and 10% of final average
19 compensation divided pro rata among all such children
20 entitled to such annuity, subject to a maximum payment to all
21 children combined of \$600 per month or 80% of the member's
22 final average compensation, whichever is the lesser.

23 (d) If the survivors annuity beneficiary is one or more
24 dependent parents, the annuity shall be 20% of final average
25 compensation to each parent and 10% of final average
26 compensation divided pro rata among the parents who qualify
27 for this annuity, subject to a maximum payment to both
28 dependent parents of \$400 per month.

29 (e) The survivors annuity to the spouse, children or
30 dependent parents of a member whose death occurs after the
31 date of last withdrawal, or after retirement, or while in
32 service following reentry into service after retirement but
33 before completing 1 1/2 years of additional creditable
34 service, shall not exceed the lesser of 80% of the member's

1 earned retirement annuity at the date of death or the maximum
2 previously established in this Section.

3 (f) In applying the limitation prescribed on the
4 combined payments to 2 or more survivors annuity
5 beneficiaries, the annuity on account of each beneficiary
6 shall be reduced pro rata until such time as the number of
7 beneficiaries makes the reduction no longer applicable.

8 (g) Until January 1, 2004, a survivors annuity payable
9 on account of any covered employee who has ~~shall~~-have been a
10 covered employee for at least 18 months at date of death or
11 last withdrawal, whichever is the later, shall be reduced by
12 1/2 of the survivors benefits to which his beneficiaries are
13 eligible under the federal Social Security Act, except that
14 (1) the survivors annuity payable under this Article shall
15 not be reduced by any increase under that Act which occurs
16 after the offset required by this subsection is first applied
17 to that annuity, (2) for benefits granted on or after January
18 1, 1992, the offset under this subsection (g) shall not
19 exceed 50% of the amount of survivors annuity otherwise
20 payable.

21 Beginning January 1, 2004, the offset under this
22 subsection (g) shall no longer be applied to any survivors
23 annuity, regardless of whether the deceased employee was in
24 service on or after the effective date of this amendatory Act
25 of the 93rd General Assembly.

26 (h) The minimum payment to a beneficiary hereunder shall
27 be \$60 per month, which shall be reduced in accordance with
28 the limitation prescribed on the combined payments to all
29 beneficiaries of a member.

30 (i) Subject to the conditions set forth in Section
31 14-120, the minimum total survivors annuity benefit payable
32 to the survivors annuity beneficiaries of a deceased member
33 or annuitant whose death occurs on or after January 1, 1984,
34 shall be 50% of the amount of retirement annuity that was or

1 would have been payable to the deceased on the date of death,
2 regardless of the age of the deceased on such date. If the
3 minimum total benefit provided by this subsection exceeds the
4 maximum otherwise imposed by this Section, the minimum total
5 benefit shall nevertheless be payable. Any increase in the
6 total survivors annuity benefit resulting from the operation
7 of this subsection shall be divided among the survivors
8 annuity beneficiaries of the deceased in proportion to their
9 shares of the total survivors annuity benefit otherwise
10 payable under this Section.

11 (j) Any survivors annuity beneficiary whose annuity
12 terminates due to any condition specified in this Article
13 other than death shall be entitled to a refund of the excess,
14 if any, of the accumulated contributions of the member plus
15 credited interest over all payments to the member and
16 beneficiary or beneficiaries, exclusive of the single sum
17 payment of \$1,000, provided no future survivors or
18 reversionary annuity benefits are payable.

19 (k) Upon the death of the last eligible recipient of a
20 survivors annuity the excess, if any, of the member's
21 accumulated contributions plus credited interest over all
22 annuity payments to the member and survivors exclusive of the
23 single sum payment of \$1000, shall be paid to the named
24 beneficiary of the last eligible survivor, or if none has
25 been named, to the estate of the last eligible survivor,
26 provided no reversionary annuity is payable.

27 (l) On January 1, 1981, any survivor who was receiving a
28 survivors annuity on or before January 1, 1971, shall have
29 his survivors annuity then being paid increased by 1% for
30 each full year which has elapsed from the date the annuity
31 began. On January 1, 1982, any survivor who began receiving
32 a survivor's annuity after January 1, 1971, but before
33 January 1, 1981, shall have his survivor's annuity then being
34 paid increased by 1% for each full year that has elapsed from

1 the date the annuity began. On January 1, 1987, any survivor
2 who began receiving a survivor's annuity on or before January
3 1, 1977, shall have the monthly survivor's annuity increased
4 by \$1 for each full year which has elapsed since the date the
5 survivor's annuity began.

6 (m) Beginning January 1, 1990, every survivor's annuity
7 shall be increased (1) on each January 1 occurring on or
8 after the commencement of the annuity if the deceased member
9 died while receiving a retirement annuity, or (2) in other
10 cases, on each January 1 occurring on or after the first
11 anniversary of the commencement of the annuity, by an amount
12 equal to 3% of the current amount of the annuity, including
13 any previous increases under this Article. Such increases
14 shall apply without regard to whether the deceased member was
15 in service on or after the effective date of Public Act
16 86-1488, but shall not accrue for any period prior to January
17 1, 1990.

18 (Source: P.A. 86-273; 86-1488; 87-794.)

19 (40 ILCS 5/16-106) (from Ch. 108 1/2, par. 16-106)

20 Sec. 16-106. Teacher. "Teacher": The following
21 individuals, provided that, for employment prior to July 1,
22 1990, they are employed on a full-time basis, or if not
23 full-time, on a permanent and continuous basis in a position
24 in which services are expected to be rendered for at least
25 one school term:

26 (1) Any educational, administrative, professional
27 or other staff employed in the public common schools
28 included within this system in a position requiring
29 certification under the law governing the certification
30 of teachers;

31 (2) Any educational, administrative, professional
32 or other staff employed in any facility of the Department
33 of Children and Family Services or the Department of

1 Human Services, in a position requiring certification
2 under the law governing the certification of teachers,
3 and any person who (i) works in such a position for the
4 Department of Corrections, (ii) was a member of this
5 System on May 31, 1987, and (iii) did not elect to become
6 a member of the State Employees' Retirement System
7 pursuant to Section 14-108.2 of this Code; except that
8 "teacher" does not include any person who (A) becomes a
9 security employee of the Department of Human Services, as
10 defined in Section 14-110, after June 28, 2001 (the
11 effective date of Public Act 92-14), or (B) becomes a
12 member of the State Employees' Retirement System pursuant
13 to Section 14-108.2c of this Code;

14 (3) Any regional superintendent of schools,
15 assistant regional superintendent of schools, State
16 Superintendent of Education; any person employed by the
17 State Board of Education as an executive; any executive
18 of the boards engaged in the service of public common
19 school education in school districts covered under this
20 system of which the State Superintendent of Education is
21 an ex-officio member;

22 (4) Any employee of a school board association
23 operating in compliance with Article 23 of the School
24 Code who is certificated under the law governing the
25 certification of teachers;

26 (5) Any person employed by the retirement system
27 who:

28 (i) was an employee of and a participant in
29 the system on August 17, 2001 (the effective date of
30 Public Act 92-416), or

31 (ii) was an employee of but not a participant
32 in the system on the effective date of this
33 amendatory Act of the 93rd General Assembly, and has
34 thereafter become employed by the system in a

1 different position and made an irrevocable election
2 to begin participating in the system, or

3 (iii) becomes an employee of the system on or
4 after August 17, 2001;

5 (6) Any educational, administrative, professional
6 or other staff employed by and under the supervision and
7 control of a regional superintendent of schools, provided
8 such employment position requires the person to be
9 certificated under the law governing the certification of
10 teachers and is in an educational program serving 2 or
11 more districts in accordance with a joint agreement
12 authorized by the School Code or by federal legislation;

13 (7) Any educational, administrative, professional
14 or other staff employed in an educational program
15 serving 2 or more school districts in accordance with a
16 joint agreement authorized by the School Code or by
17 federal legislation and in a position requiring
18 certification under the laws governing the certification
19 of teachers;

20 (8) Any officer or employee of a statewide teacher
21 organization or officer of a national teacher
22 organization who is certified under the law governing
23 certification of teachers, provided: (i) the individual
24 had previously established creditable service under this
25 Article, (ii) the individual files with the system an
26 irrevocable election to become a member, and (iii) the
27 individual does not receive credit for such service under
28 any other Article of this Code;

29 (9) Any educational, administrative, professional,
30 or other staff employed in a charter school operating in
31 compliance with the Charter Schools Law who is
32 certificated under the law governing the certification of
33 teachers.

34 An annuitant receiving a retirement annuity under this

1 Article ~~er--under-Article-17-of-this-Code~~ who is temporarily
 2 employed by a board of education or other employer not
 3 exceeding that permitted under Section 16-118 is not a
 4 "teacher" for purposes of this Article. A person who has
 5 received a single-sum retirement benefit under Section
 6 16-136.4 of this Article is not a "teacher" for purposes of
 7 this Article.

8 (Source: P.A. 92-14, eff. 6-28-01; 92-416, eff. 8-17-01;
 9 92-651, eff. 7-11-02.)

10 (40 ILCS 5/16-113) (from Ch. 108 1/2, par. 16-113)

11 Sec. 16-113. Accumulated contributions. "Accumulated
 12 contributions": The sum of all contributions to this System
 13 made by or on behalf of a member in respect to membership
 14 service and credited to his or her account in the Benefit
 15 Trust Reserve Members'-Contribution--Reserve, together with
 16 regular interest thereon.

17 (Source: P.A. 83-1440.)

18 (40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

19 Sec. 16-127. Computation of creditable service.

20 (a) Each member shall receive regular credit for all
 21 service as a teacher from the date membership begins, for
 22 which satisfactory evidence is supplied and all contributions
 23 have been paid.

24 (b) The following periods of service shall earn optional
 25 credit and each member shall receive credit for all such
 26 service for which satisfactory evidence is supplied and all
 27 contributions have been paid as of the date specified:

- 28 (1) Prior service as a teacher.
- 29 (2) Service in a capacity essentially similar or
- 30 equivalent to that of a teacher, in the public common
- 31 schools in school districts in this State not included
- 32 within the provisions of this System, or of any other

1 State, territory, dependency or possession of the United
2 States, or in schools operated by or under the auspices
3 of the United States, or under the auspices of any agency
4 or department of any other State, and service during any
5 period of professional speech correction or special
6 education experience for a public agency within this
7 State or any other State, territory, dependency or
8 possession of the United States, and service prior to
9 February 1, 1951 as a recreation worker for the Illinois
10 Department of Public Safety, for a period not exceeding
11 the lesser of 2/5 of the total creditable service of the
12 member or 10 years. The maximum service of 10 years
13 which is allowable under this paragraph shall be reduced
14 by the service credit which is validated by other
15 retirement systems under paragraph (i) of Section 15-113
16 and paragraph 1 of Section 17-133. Credit granted under
17 this paragraph may not be used in determination of a
18 retirement annuity or disability benefits unless the
19 member has at least 5 years of creditable service earned
20 subsequent to this employment with one or more of the
21 following systems: Teachers' Retirement System of the
22 State of Illinois, State Universities Retirement System,
23 and the Public School Teachers' Pension and Retirement
24 Fund of Chicago. Whenever such service credit exceeds
25 the maximum allowed for all purposes of this Article, the
26 first service rendered in point of time shall be
27 considered. The changes to this subdivision (b)(2) made
28 by Public Act 86-272 shall apply not only to persons who
29 on or after its effective date (August 23, 1989) are in
30 service as a teacher under the System, but also to
31 persons whose status as such a teacher terminated prior
32 to such effective date, whether or not such person is an
33 annuitant on that date.

34 (3) Any periods immediately following teaching

1 service, under this System or under Article 17, (or
2 immediately following service prior to February 1, 1951
3 as a recreation worker for the Illinois Department of
4 Public Safety) spent in active service with the military
5 forces of the United States; periods spent in educational
6 programs that prepare for return to teaching sponsored by
7 the federal government following such active military
8 service; if a teacher returns to teaching service within
9 one calendar year after discharge or after the completion
10 of the educational program, a further period, not
11 exceeding one calendar year, between time spent in
12 military service or in such educational programs and the
13 return to employment as a teacher under this System; and
14 a period of up to 2 years of active military service not
15 immediately following employment as a teacher.

16 The changes to this Section and Section 16-128
17 relating to military service made by P.A. 87-794 shall
18 apply not only to persons who on or after its effective
19 date are in service as a teacher under the System, but
20 also to persons whose status as a teacher terminated
21 prior to that date, whether or not the person is an
22 annuitant on that date. In the case of an annuitant who
23 applies for credit allowable under this Section for a
24 period of military service that did not immediately
25 follow employment, and who has made the required
26 contributions for such credit, the annuity shall be
27 recalculated to include the additional service credit,
28 with the increase taking effect on the date the System
29 received written notification of the annuitant's intent
30 to purchase the credit, if payment of all the required
31 contributions is made within 60 days of such notice, or
32 else on the first annuity payment date following the date
33 of payment of the required contributions. In calculating
34 the automatic annual increase for an annuity that has

1 been recalculated under this Section, the increase
2 attributable to the additional service allowable under
3 P.A. 87-794 shall be included in the calculation of
4 automatic annual increases accruing after the effective
5 date of the recalculation.

6 Credit for military service shall be determined as
7 follows: if entry occurs during the months of July,
8 August, or September and the member was a teacher at the
9 end of the immediately preceding school term, credit
10 shall be granted from July 1 of the year in which he or
11 she entered service; if entry occurs during the school
12 term and the teacher was in teaching service at the
13 beginning of the school term, credit shall be granted
14 from July 1 of such year. In all other cases where credit
15 for military service is allowed, credit shall be granted
16 from the date of entry into the service.

17 The total period of military service for which
18 credit is granted shall not exceed 5 years for any member
19 unless the service: (A) is validated before July 1,
20 1964, and (B) does not extend beyond July 1, 1963.
21 Credit for military service shall be granted under this
22 Section only if not more than 5 years of the military
23 service for which credit is granted under this Section is
24 used by the member to qualify for a military retirement
25 allotment from any branch of the armed forces of the
26 United States. The changes to this subdivision (b)(3)
27 made by Public Act 86-272 shall apply not only to persons
28 who on or after its effective date (August 23, 1989) are
29 in service as a teacher under the System, but also to
30 persons whose status as such a teacher terminated prior
31 to such effective date, whether or not such person is an
32 annuitant on that date.

33 (4) Any periods served as a member of the General
34 Assembly.

1 (5)(i) Any periods for which a teacher, as defined
2 in Section 16-106, is granted a leave of absence,
3 provided he or she returns to teaching service creditable
4 under this System or the State Universities Retirement
5 System following the leave; (ii) periods during which a
6 teacher is involuntarily laid off from teaching, provided
7 he or she returns to teaching following the lay-off;
8 (iii) periods prior to July 1, 1983 during which a
9 teacher ceased covered employment under this Article or
10 Article 17 due to pregnancy, provided that the teacher
11 returned to teaching service creditable under this System
12 or the State Universities Retirement System following the
13 pregnancy and submits evidence satisfactory to the Board
14 documenting that the employment ceased due to pregnancy;
15 and (iv) periods prior to July 1, 1983 during which a
16 teacher ceased covered employment for the purpose of
17 adopting an infant under 3 years of age or caring for a
18 newly adopted infant under 3 years of age, provided that
19 the teacher returned to teaching service creditable under
20 this System or the State Universities Retirement System
21 following the adoption and submits evidence satisfactory
22 to the Board documenting that the employment ceased for
23 the purpose of adopting an infant under 3 years of age or
24 caring for a newly adopted infant under 3 years of age.
25 However, total credit under this paragraph (5) may not
26 exceed 3 years.

27 Any qualified member or annuitant may apply for
28 credit under item (iii) or (iv) of this paragraph (5)
29 without regard to whether service was terminated before
30 the effective date of this amendatory Act of 1997. In
31 the case of an annuitant who establishes credit under
32 item (iii) or (iv), the annuity shall be recalculated to
33 include the additional service credit. The increase in
34 annuity shall take effect on the date the System receives

1 written notification of the annuitant's intent to
2 purchase the credit, if the required evidence is
3 submitted and the required contribution paid within 60
4 days of that notification, otherwise on the first annuity
5 payment date following the System's receipt of the
6 required evidence and contribution. The increase in an
7 annuity recalculated under this provision shall be
8 included in the calculation of automatic annual increases
9 in the annuity accruing after the effective date of the
10 recalculation.

11 Optional credit may be purchased under this
12 subsection (b)(5) for periods during which a teacher has
13 been granted a leave of absence pursuant to Section 24-13
14 of the School Code. A teacher whose service under this
15 Article terminated prior to the effective date of P.A.
16 86-1488 shall be eligible to purchase such optional
17 credit. If a teacher who purchases this optional credit
18 is already receiving a retirement annuity under this
19 Article, the annuity shall be recalculated as if the
20 annuitant had applied for the leave of absence credit at
21 the time of retirement. The difference between the
22 entitled annuity and the actual annuity shall be credited
23 to the purchase of the optional credit. The remainder of
24 the purchase cost of the optional credit shall be paid on
25 or before April 1, 1992.

26 The change in this paragraph made by Public Act
27 86-273 shall be applicable to teachers who retire after
28 June 1, 1989, as well as to teachers who are in service
29 on that date.

30 (6) Any days of unused and uncompensated
31 accumulated sick leave earned by a teacher. The service
32 credit granted under this paragraph shall be the ratio of
33 the number of unused and uncompensated accumulated sick
34 leave days to 170 days, subject to a maximum of 2 years

1 of service credit. Prior to the member's retirement,
2 each former employer shall certify to the System the
3 number of unused and uncompensated accumulated sick leave
4 days credited to the member at the time of termination of
5 service. The period of unused sick leave shall not be
6 considered in determining the effective date of
7 retirement. A member is not required to make
8 contributions in order to obtain service credit for
9 unused sick leave.

10 Credit for sick leave shall, at retirement, be
11 granted by the System for any retiring regional or
12 assistant regional superintendent of schools at the rate
13 of 6 days per year of creditable service or portion
14 thereof established while serving as such superintendent
15 or assistant superintendent.

16 (7) Periods prior to February 1, 1987 served as an
17 employee of the Illinois Mathematics and Science Academy
18 for which credit has not been terminated under Section
19 15-113.9 of this Code.

20 (8) Service as a substitute teacher for work
21 performed prior to July 1, 1990.

22 (9) Service as a part-time teacher for work
23 performed prior to July 1, 1990.

24 (10) Up to 2 years of employment with Southern
25 Illinois University - Carbondale from September 1, 1959
26 to August 31, 1961, or with Governors State University
27 from September 1, 1972 to August 31, 1974, for which the
28 teacher has no credit under Article 15. To receive
29 credit under this item (10), a teacher must apply in
30 writing to the Board and pay the required contributions
31 before May 1, 1993 and have at least 12 years of service
32 credit under this Article.

33 (b-1) A member may establish optional credit for up to 2
34 years of service as a teacher or administrator employed by a

1 private school recognized by the Illinois State Board of
2 Education, provided that the teacher (i) was certified under
3 the law governing the certification of teachers at the time
4 the service was rendered, (ii) applies in writing on or after
5 June 1, 2002 and on or before June 1, 2005, (iii) supplies
6 satisfactory evidence of the employment, (iv) completes at
7 least 10 years of contributing service as a teacher as
8 defined in Section 16-106, and (v) pays the contribution
9 required in subsection (d-5) of Section 16-128. The member
10 may apply for credit under this subsection and pay the
11 required contribution before completing the 10 years of
12 contributing service required under item (iv), but the credit
13 may not be used until the item (iv) contributing service
14 requirement has been met.

15 (c) The service credits specified in this Section shall
16 be granted only if: (1) such service credits are not used for
17 credit in any other statutory tax-supported public employee
18 retirement system other than the federal Social Security
19 program; and (2) the member makes the required contributions
20 as specified in Section 16-128. Except as provided in
21 subsection (b-1) of this Section, the service credit shall be
22 effective as of the date the required contributions are
23 completed.

24 Any service credits granted under this Section shall
25 terminate upon cessation of membership for any cause.

26 Credit may not be granted under this Section covering any
27 period for which an age retirement or disability retirement
28 allowance has been paid.

29 (Source: P.A. 92-867, eff. 1-3-03.)

30 (40 ILCS 5/16-129.1)

31 Sec. 16-129.1. Optional increase in retirement annuity.

32 (a) A member of the System may qualify for the augmented
33 rate under subdivision (a)(B)(1) of Section 16-133 for all

1 years of creditable service earned before July 1, 1998 by
2 making the optional contribution specified in subsection (b).
3 A member may not elect to qualify for the augmented rate for
4 only a portion of his or her creditable service earned before
5 July 1, 1998.

6 (b) The contribution shall be an amount equal to 1.0% of
7 the member's highest salary rate in the 4 consecutive school
8 years immediately prior to but not including the school year
9 in which the application occurs, multiplied by the number of
10 years of creditable service earned by the member before July
11 1, 1998 or 20, whichever is less. This contribution shall be
12 reduced by 1.0% of that salary rate for every 3 full years of
13 creditable service earned by the member after June 30, 1998.
14 The contribution shall be further reduced at the rate of 25%
15 of the contribution (as reduced for service after June 30,
16 1998) for each year of the member's total creditable service
17 in excess of 34 years. The contribution shall not in any
18 event exceed 20% of that salary rate.

19 The member shall pay to the System the amount of the
20 contribution as calculated at the time of application under
21 this Section. The amount of the contribution determined
22 under this subsection shall be recalculated at the time of
23 retirement, and if the System determines that the amount paid
24 by the member exceeds the recalculated amount, the System
25 shall refund the difference to the member with regular
26 interest from the date of payment to the date of refund.

27 The contribution required by this subsection shall be
28 paid in one of the following ways or in a combination of the
29 following ways that does not extend over more than 5 years:

30 (i) in a lump sum on or before the date of
31 retirement;

32 (ii) in substantially equal installments over a
33 period of time not to exceed 5 years, as a deduction from
34 salary in accordance with subsection (b) of Section

1 16-154;

2 (iii) ~~if the member becomes an annuitant before~~
3 ~~June 30, 2003,~~ in substantially equal monthly
4 installments over a 24-month period, by reducing the
5 annuitant's monthly benefit over a 24-month period by the
6 amount of the otherwise applicable contribution. For
7 federal and Illinois tax purposes, the monthly amount by
8 which the annuitant's benefit is reduced shall not be
9 treated as a contribution by the annuitant, but rather as
10 a reduction of the annuitant's monthly benefit.

11 (c) If the member fails to make the full contribution
12 under this Section in a timely fashion, the payments made
13 under this Section shall be refunded to the member, without
14 interest. If the member dies before making the full
15 contribution, the payments made under this Section, together
16 with regular interest thereon, shall be refunded to the
17 member's designated beneficiary for benefits under Section
18 16-138.

19 (d) For purposes of this Section and subdivision
20 (a)(B)(1) of Section 16-133, optional creditable service
21 established by a member shall be deemed to have been earned
22 at the time of the employment or other qualifying event upon
23 which the service is based, rather than at the time the
24 credit was established in this System.

25 (e) The contributions required under this Section are
26 the responsibility of the teacher and not the teacher's
27 employer. However, an employer of teachers may, after the
28 effective date of this amendatory Act of 1998, specifically
29 agree, through collective bargaining or otherwise, to make
30 the contributions required by this Section on behalf of those
31 teachers.

32 (f) A person who, on or after July 1, 1998 and before
33 June 4, 1999, began receiving a retirement annuity calculated
34 at the augmented rate may apply in writing to have the

1 annuity recalculated to reflect the changes to this Section
2 and Section 16-133 that were enacted in Public Act 91-17.
3 The amount of any resulting decrease in the optional
4 contribution shall be refunded to the annuitant, without
5 interest. Any resulting increase in retirement annuity shall
6 take effect on the next annuity payment date following the
7 date of application under this subsection.

8 (Source: P.A. 91-17, eff. 6-4-99; 92-416, eff. 8-17-01.)

9 (40 ILCS 5/16-133.2) (from Ch. 108 1/2, par. 16-133.2)

10 Sec. 16-133.2. Early retirement without discount. A
11 member retiring after June 1, 1980 and on or before June 30,
12 2005, and applying for a retirement annuity within 6 months
13 of the last day of teaching for which retirement
14 contributions were required, may elect at the time of
15 application for a retirement annuity, to make a one time
16 member contribution to the System and thereby avoid the
17 reduction in the retirement annuity for retirement before age
18 60 specified in paragraph (B) of Section 16-133. The
19 exercise of the election shall also obligate the last
20 employer to make a one time non-refundable contribution to
21 the System. Substitute teachers wishing to exercise this
22 election must teach 85 or more days in one school term with
23 one employer, who shall be deemed the last employer for
24 purposes of this Section. The last day of teaching with that
25 employer must be within 6 months of the date of application
26 for retirement. All substitute teaching credit applied
27 toward the required 85 days must be earned after June 30,
28 1990.

29 The one time member and employer contributions shall be a
30 percentage of the retiring member's highest annual salary
31 rate used in the determination of the average salary for
32 retirement annuity purposes. However, when determining the
33 one-time member and employer contributions, that part of a

1 member's salary with the same employer which exceeds the
2 annual salary rate for the preceding year by more than 20%
3 shall be excluded. The member contribution shall be at the
4 rate of 7% for the lesser of the following 2 periods: (1)
5 for each year that the member is less than age 60; or (2) for
6 each year that the member's creditable service is less than
7 35 years. If a member is at least age 55 and has at least 34
8 years of creditable service, no member or employer
9 contribution for the early retirement option shall be
10 required. The employer contribution shall be at the rate of
11 20% for each year the member is under age 60.

12 Upon receipt of the application and election, the System
13 shall determine the one time employee and employer
14 contributions required. The member contribution shall be
15 credited to the individual account of the member and the
16 employer contribution shall be credited to the Benefit Trust
17 Reserve Employer's-Contribution-Reserve. The provisions of
18 this Section shall not be applicable until the member's
19 contribution, if any, has been received by the System;
20 however, the date such contributions are received shall not
21 be considered in determining the effective date of
22 retirement.

23 The number of members working for a single employer who
24 may retire under this Section in any year may be limited at
25 the option of the employer to a specified percentage of those
26 eligible, not less than 30%, with the right to participate to
27 be allocated among those applying on the basis of seniority
28 in the service of the employer.

29 (Source: P.A. 90-582, eff. 5-27-98; 91-17, eff. 6-4-99.)

30 (40 ILCS 5/16-133.3) (from Ch. 108 1/2, par. 16-133.3)
31 Sec. 16-133.3. Early retirement incentives for State
32 employees.

33 (a) To be eligible for the benefits provided in this

1 Section, a person must:

2 (1) be a member of this System who, on any day
3 during June, 2002, is (i) in active payroll status as a
4 full-time teacher employed by a department and an active
5 contributor to this System with respect to that
6 employment, or (ii) on layoff status from such a position
7 with a right of re-employment or recall to service, or
8 (iii) receiving a disability benefit under Section 16-149
9 or 16-149.1, but only if the member has not been
10 receiving that benefit for a continuous period of more
11 than 2 years as of the date of application;

12 (2) not have received any retirement annuity under
13 this Article beginning earlier than August 1, 2002;

14 (3) file with the Board on or before December 31,
15 2002 a written application requesting the benefits
16 provided in this Section;

17 (4) terminate employment under this Article no
18 later than December 31, 2002 (or the date established
19 under subsection (d), if applicable);

20 (5) by the date of termination of service, have at
21 least 8 years of creditable service under this Article,
22 without the use of any creditable service established
23 under this Section;

24 (6) by the date of termination of service, have at
25 least 5 years of service credit earned while
26 participating in the System as a teacher employed by a
27 department; and

28 (7) not receive any early retirement benefit under
29 Section 14-108.3 of this Code.

30 For the purposes of this Section, "department" means a
31 department as defined in Section 14-103.04 that employs a
32 teacher as defined in this Article.

33 (b) An eligible person may establish up to 5 years of
34 creditable service under this Article by making the

1 contributions specified in subsection (c). In addition, for
2 each period of creditable service established under this
3 Section, a person's age at retirement shall be deemed to be
4 enhanced by an equivalent period.

5 The creditable service established under this Section may
6 be used for all purposes under this Article and the
7 Retirement Systems Reciprocal Act, except for the computation
8 of final average salary, the determination of salary or
9 compensation under this Article or any other Article of this
10 Code, or the determination of eligibility for or the
11 computation of benefits under Section 16-133.2.

12 The age enhancement established under this Section may be
13 used for all purposes under this Article (including
14 calculation of a proportionate annuity payable by this System
15 under the Retirement Systems Reciprocal Act), except for
16 purposes of a retirement annuity under Section 16-133(a)(A),
17 a reversionary annuity under Section 16-136, the required
18 distributions under Section 16-142.3, and the determination
19 of eligibility for or the computation of benefits under
20 Section 16-133.2. Age enhancement established under this
21 Section may be used in determining benefits payable under
22 Article 14 of this Code under the Retirement Systems
23 Reciprocal Act (subject to the limitations on the use of age
24 enhancement provided in Section 14-108.3); age enhancement
25 established under this Section shall not be used in
26 determining benefits payable under other Articles of this
27 Code under the Retirement Systems Reciprocal Act.

28 (c) For all creditable service established under this
29 Section, a person must pay to the System an employee
30 contribution to be determined by the System, equal to 9.0% of
31 the member's highest annual salary rate that would be used in
32 the determination of the average salary for retirement
33 annuity purposes if the member retired immediately after
34 withdrawal, for each year of creditable service established

1 under this Section.

2 If the member receives a lump sum payment for accumulated
3 vacation, sick leave, and personal leave upon withdrawal from
4 service, and the net amount of that lump sum payment is at
5 least as great as the amount of the contribution required
6 under this Section, the entire contribution must be paid by
7 the employee by payroll deduction. If there is no such lump
8 sum payment, or if it is less than the contribution required
9 under this Section, the member shall make an initial payment
10 by payroll deduction, equal to the net amount of the lump sum
11 payment for accumulated vacation, sick leave, and personal
12 leave, and have the remaining amount due treated as a
13 reduction from the retirement annuity in 24 equal monthly
14 installments beginning in the month in which the retirement
15 annuity takes effect. The required contribution may be paid
16 as a pre-tax deduction from earnings.

17 (d) In order to ensure that the efficient operation of
18 State government is not jeopardized by the simultaneous
19 retirement of large numbers of key personnel, the director or
20 other head of a department may, for key employees of that
21 department, extend the December 31, 2002 deadline for
22 terminating employment under this Article established in
23 subdivision (a)(4) of this Section to a date not later than
24 April 30, 2003 by so notifying the System in writing by
25 December 31, 2002.

26 (e) A person who has received any age enhancement or
27 creditable service under this Section and who reenters
28 contributing service under this Article or Article 14 shall
29 thereby forfeit that age enhancement and creditable service,
30 and become entitled to a refund of the contributions made
31 pursuant to this Section.

32 (f) The System shall determine the amount of the
33 increase in unfunded accrued liability resulting from the
34 granting of early retirement incentives under this Section

1 and shall report that amount to the Governor and the Pension
2 Laws Commission on or before November 15, 2003. The increase
3 in liability reported under this subsection (f) shall not be
4 included in the calculation of the required State
5 contribution under Section 16-158.

6 (g) The System shall determine the amount of the annual
7 State contribution necessary to amortize on a level
8 dollar-payment basis, over a period of 10 years at 8.5%
9 interest, compounded annually, an amount equal to the
10 increase in unfunded accrued liability determined under
11 subsection (f) minus \$1,000,000. The System shall certify
12 the amount of this annual State contribution to the Governor,
13 the State Comptroller, the Bureau of the Budget, and the
14 Pension Laws Commission on or before November 15, 2003.

15 In addition to the contributions otherwise required under
16 this Article, the State shall appropriate and pay to the
17 System (1) an amount equal to \$1,000,000 in State fiscal year
18 2004 and (2) in each of State fiscal years 2005 through 2013,
19 an amount equal to the annual State contribution certified by
20 the System under this subsection (g).

21 (h) The Pension Laws Commission shall determine and
22 report to the General Assembly, on or before January 1, 2004
23 and annually thereafter through the year 2013, its estimate
24 of (1) the annual amount of payroll savings likely to be
25 realized by the State as a result of the early retirement of
26 persons receiving early retirement incentives under this
27 Section and (2) the net annual savings or cost to the State
28 from the program of early retirement incentives created under
29 this Section.

30 The System, the Department of Central Management
31 Services, the Bureau of the Budget, and all other departments
32 shall provide to the Commission any assistance that the
33 Commission may request with respect to its reports under this
34 Section. The Commission may require departments to provide

1 it with any information that it deems necessary or useful
2 with respect to its reports under this Section, including
3 without limitation information about (1) the final earnings
4 of former department employees who elected to receive
5 benefits under this Section, (2) the earnings of current
6 department employees holding the positions vacated by persons
7 who elected to receive benefits under this Section, and (3)
8 positions vacated by persons who elected to receive benefits
9 under this Section that have not yet been refilled.

10 (i) The changes made to this Section by this amendatory
11 Act of the 92nd General Assembly do not apply to persons who
12 retired under this Section on or before May 1, 1992.

13 (j) A teacher who, on any day in June, 2002, was
14 employed by a department on a regular and permanent basis for
15 4 or more clock hours per day, 4 days per week shall be
16 deemed to have been in payroll status as a full-time teacher
17 for the purposes of subdivision (a)(1)(i) of this Section,
18 notwithstanding Sections 16-106.1 and 16-106.2. Such a
19 teacher who applied for early retirement benefits under this
20 Section in a timely manner, but was rejected by the System
21 for failure to meet the full-time requirement, may re-apply
22 for an early retirement benefit under this Section within the
23 30 days following the effective date of this amendatory Act
24 of the 93rd General Assembly. For such a person, the
25 December 31, 2002 deadline for terminating employment under
26 this Article, established in subdivision (a)(4) of this
27 Section, is extended to the end of the school year in which
28 the re-application is received by the System, and the
29 application deadline established in subdivision (a)(3) shall
30 be deemed satisfied by the original application.

31 (Source: P.A. 92-566, eff. 6-25-02.)

32 (40 ILCS 5/16-136.4) (from Ch. 108 1/2, par. 16-136.4)
33 Sec. 16-136.4. Single-sum retirement benefit.

1 (a) A member who has less than 5 years of creditable
2 service shall be entitled, upon written application to the
3 board, to receive a retirement benefit payable in a single
4 sum upon or after the member's attainment of age 65.
5 However, the benefit shall not be paid while the member is
6 employed as a teacher in the schools included under this
7 Article or Article 17, unless the System is required by
8 federal law to make payment due to the member's age.

9 (b) The retirement benefit shall consist of a single sum
10 that is the actuarial equivalent of a life annuity consisting
11 of 1.67% of the member's final average salary for each year
12 of creditable service earned before July 1, 1998 and 2.2% of
13 the member's final average salary for each year of creditable
14 service earned after June 30, 1998. In determining the
15 amount of the benefit, a fractional year shall be granted
16 proportional credit.

17 For the purposes of this Section, final average salary
18 shall be the average salary of the member's highest 4
19 consecutive years of service as determined under rules of the
20 board. For a member with less than 4 consecutive years of
21 service, final average salary shall be the average salary
22 during the member's entire period of service. In the
23 determination of final average salary for members other than
24 elected officials and their appointees when such appointees
25 are allowed by statute, that part of a member's salary which
26 exceeds the member's annual full-time salary rate with the
27 same employer for the preceding year by more than 20% shall
28 be excluded. The exclusion shall not apply in any year in
29 which the member's creditable earnings are less than 50% of
30 the preceding year's mean salary for downstate teachers as
31 determined by the survey of school district salaries provided
32 in Section 2-3.103 of the School Code.

33 (c) The retirement benefit determined under this Section
34 shall be available to all members who render teaching service

1 after July 1, 1947 for which member contributions are
2 required.

3 (d) Upon acceptance of the retirement benefit, all of
4 the member's accrued rights and credits in the System are
5 forfeited. Receipt of a single-sum retirement benefit under
6 this Section does not make a person an "annuitant" for the
7 purposes of this Article, nor a "benefit recipient" for the
8 purposes of Sections 16-153.1 through 16-153.4.

9 (Source: P.A. 91-887, eff. 7-6-00.)

10 (40 ILCS 5/16-149.2) (from Ch. 108 1/2, par. 16-149.2)

11 Sec. 16-149.2. Disability retirement annuity.

12 (a) A member whose disability benefit has been
13 terminated under the provisions of Section 16-149 may be
14 retired on a disability retirement annuity payable effective
15 the day following such termination provided the member
16 remains disabled under the standard of disability provided in
17 Section 16-149.

18 The disability retirement annuity shall be payable upon
19 receipt of written certificates from at least 2 licensed
20 physicians designated by the System verifying the
21 continuation of the disability condition. A disability
22 retirement annuity shall not be paid during any period for
23 which the member receives benefits under Section 16-133,
24 Section 16-149, or Section 16-149.1 or has a right to receive
25 a salary as a teacher, or is employed in any capacity as a
26 teacher by the employers included under this System or in an
27 equivalent capacity in any other public or private school,
28 college or university.

29 (b) The disability retirement annuity shall be equal to
30 the larger of: (1) 35% of the most recent annual contract
31 salary rate or for part-time and substitute members after
32 June 30, 1990, the most recent annualized salary rate; or (2)
33 if disability commences prior to the member's attainment of

1 age 55, the amount computed in accordance with Section
2 16-133, provided the amount computed under paragraph (B) of
3 Section 16-133 shall be reduced by 1/2 of 1% for each month
4 that the member is less than age 55; or (3) if disability
5 commences after the member's attainment of age 55, and the
6 member is not receiving a retirement annuity under Section
7 16-133, the amount computed in accordance with Section
8 16-133.

9 Prior to July 1, 1990, if the most recent period of
10 service of any member eligible to receive a disability
11 retirement annuity was rendered on a less than full-time but
12 not less than half-time basis, the amount of the disability
13 retirement annuity payable shall be computed on the basis of
14 the salary received by such member for the member's last year
15 of service on a full-time basis if such salary was greater
16 than the member's most recent salary.

17 (c) If an annuitant receiving a disability retirement
18 annuity under this Section is engaged in or able to engage in
19 gainful employment paying more than the difference between
20 the disability retirement annuity and the salary rate upon
21 which the disability benefit is based, with no salary to be
22 considered less than the minimum prescribed in Section 24-8
23 of the School Code, the disability retirement annuity shall
24 be reduced to an amount which together with the amount earned
25 by the annuitant, equals the salary rate upon which the
26 disability benefit is based. However, for the purposes of
27 this subsection (c) only, the salary rate upon which the
28 benefit is based shall be deemed to increase by 15% on the
29 tenth anniversary of the commencement of the annuity.

30 Once each year during the first 5 years following
31 retirement on a disability retirement annuity, and once in
32 every 3-year period thereafter, the System may require an
33 annuitant to undergo a medical examination, by a physician or
34 physicians designated by the System. If the annuitant

1 refuses to submit to such medical examination, the annuity
2 shall be discontinued until such time as the annuitant
3 consents to the examination, and if refusal continues for one
4 year, all the rights to the annuity shall be revoked.

5 (d) If an annuitant in receipt of a disability
6 retirement annuity returns to active service as a teacher or
7 is no longer disabled, such annuity shall cease and the
8 annuitant shall again become a member of the Retirement
9 System and, if in active service as a teacher, shall make
10 regular contributions. ~~The---remaining---accumulated~~
11 ~~contributions---shall---be---transferred---to---the---Members'~~
12 ~~Contribution---Reserve---from---the---Employer's---Contribution~~
13 ~~Reserve.~~ All service for which the annuitant had credit on
14 the date of disability shall be properly reestablished.

15 An annuitant in receipt of a disability retirement
16 annuity who returns to active service as a teacher and who
17 again becomes disabled shall not be entitled to a
18 recomputation of the disability retirement annuity based on
19 amendments enacted while the annuitant was in receipt of the
20 annuity unless at least one year of creditable service is
21 rendered after the latest re-entry into service.

22 (e) An annuitant in receipt of a disability retirement
23 annuity may, upon reaching retirement age as specified in
24 Section 16-132, apply for a retirement annuity which is to be
25 calculated as specified in Section 16-133. The disability
26 retirement annuity shall be discontinued upon commencement of
27 the retirement annuity.

28 (f) The board shall prescribe rules governing the
29 filing, investigation, control, and supervision of disability
30 retirement claims. The rules shall include specific
31 standards to be used when requesting additional medical
32 examinations, hospital records or other data necessary for
33 determining the employment capacity and condition of the
34 annuitant. Costs incurred by a claimant in connection with

1 completing a claim for disability benefits shall be paid by
2 the claimant.

3 The changes to this Section made by this amendatory Act
4 of 1991 shall apply not only to persons who on or after its
5 effective date are in service as a teacher under the System,
6 but also to persons whose status as a teacher terminated
7 prior to that date, whether or not the person is an annuitant
8 on that date.

9 (Source: P.A. 86-273; 86-1488; 87-794.)

10 (40 ILCS 5/16-150) (from Ch. 108 1/2, par. 16-150)

11 Sec. 16-150. Re-entry. If an annuitant under this
12 System is again employed as a teacher for an aggregate period
13 exceeding that permitted by Section 16-118, his or her
14 retirement annuity shall be terminated and the annuitant
15 shall thereupon be regarded as an active member. The
16 ~~annuitant's remaining accumulated contributions shall be~~
17 ~~transferred to the Members' Contribution Reserve from the~~
18 ~~Employer's Contribution Reserve.~~

19 Such annuitant is not entitled to a recomputation of his
20 or her retirement annuity unless at least one full year of
21 creditable service is rendered after the latest re-entry into
22 service and the annuitant must have rendered at least 3 years
23 of creditable service after last re-entry into service to
24 qualify for a recomputation of the retirement annuity based
25 on amendments enacted while in receipt of a retirement
26 annuity, except when retirement was due to disability.

27 However, regardless of age, an annuitant in receipt of a
28 retirement annuity may be given temporary employment by a
29 school board not exceeding that permitted under Section
30 16-118 and continue to receive the retirement annuity.

31 Unless retirement was necessitated by disability, a
32 retirement shall be considered cancelled and the retirement
33 allowance must be repaid in full if the annuitant is employed

1 as a teacher within the school year during which service was
2 terminated.

3 An annuitant's retirement which does not include a period
4 of at least one full and complete school year shall be
5 considered cancelled and the retirement annuity must be
6 repaid in full unless such retirement was necessitated by
7 disability.

8 (Source: P.A. 86-273; 87-794.)

9 (40 ILCS 5/16-151) (from Ch. 108 1/2, par. 16-151)

10 Sec. 16-151. Refund. Upon termination of employment as a
11 teacher for any cause other than death or retirement, a
12 member shall be paid the following amount upon demand made at
13 least 4 months after ceasing to teach:

14 (1) from the Benefit Trust Reserve Members'
15 Contribution-Reserve, the actual total contributions paid
16 by or on behalf of the member for membership service
17 which have not been previously refunded and which are
18 then credited to the member's individual account in the
19 Benefit Trust Reserve Members'--Contribution--Reserve,
20 without interest thereon, and

21 (2) from the Benefit Trust Reserve Employer's
22 Contribution---Reserve, the actual contributions not
23 previously refunded, paid by or on behalf of the member
24 for prior service and towards the cost of the automatic
25 annual increase in retirement annuity as provided under
26 Section 16-152, without interest thereon.

27 Any such amounts may be paid to the member either in one
28 sum or, at the election of the board, in 4 quarterly
29 payments.

30 Contributions credited to a member for periods of
31 disability as provided in Sections 16-149 and 16-149.1 are
32 not refundable.

33 Upon acceptance of a refund, all accrued rights and

1 credits in the System are forfeited and may be reinstated
 2 only if the refund is repaid together with interest from the
 3 date of the refund to the date of repayment at the following
 4 rates compounded annually: for periods prior to July 1,
 5 1965, regular interest; for periods from July 1, 1965 to June
 6 30, 1977, 4% per year; for periods on and after July 1, 1977,
 7 regular interest. Repayment shall be permitted upon return to
 8 membership; however, service credit previously forfeited by a
 9 refund and subsequently reinstated may not be used as a basis
 10 for the payment of benefits, other than a refund of
 11 contributions, prior to the completion of one year of
 12 creditable service following the refund, except when
 13 repayment is permitted under the provisions of the
 14 "Retirement Systems Reciprocal Act" contained in Article 20.
 15 (Source: P.A. 90-448, eff. 8-16-97.)

16 (40 ILCS 5/16-182) (from Ch. 108 1/2, par. 16-182)
 17 Sec. 16-182. Members' Contribution Reserve.

18 (a) On July 1, 2003, the Members' Contribution Reserve
 19 is abolished and the remaining balance shall be transferred
 20 from that Reserve to the Benefit Trust Reserve. A-Members'
 21 Contribution-Reserve-shall-be-established-for-the-purpose--of
 22 accumulating--with--regular--interest--the--contributions--of
 23 members-made-prior-to-retirement.

24 This-Reserve-shall-be-credited-with:

25 (1)--The---total---accumulated---contributions---for
 26 membership--service,--as--of--the--date--this--reserve-is
 27 established,--exclusive--of--contributions---for---annual
 28 increases-in-retirement-annuity-and-survivor-benefits.

29 (2)--The-member-contributions-received-under-Section
 30 16-133-2.

31 (3)--The--normal--contributions-under-Section-16-128
 32 and-Section-16-131.2-together-with-regular-interest.

33 (4)--The-total-of-all-normal-contributions-for--each

1 fiscal-year-as-of-the-end-of-the-fiscal-year.

2 (5)--The--excess-of-the-accumulated-contributions-of
3 an-annuitant-at-retirement-over--the--retirement--annuity
4 payments--received,--to--be--computed--upon-re-entry-into
5 service-after-termination--of--a--retirement--annuity--as
6 provided--in--Section--16-150,--or-after-termination-of-a
7 disability-retirement--annuity--as--provided--in--Section
8 16-149.2.

9 (6)--Regular---interest---on---the---accumulated
10 contributions--in-the-members'-contribution-reserve-as-of
11 the-end-of-the-previous-fiscal-year,--credited-to-the-date
12 of-retirement-or-death-for-those-retiring-or-dying-during
13 the-fiscal-year,--and-to-the-end-of-the--fiscal--year--for
14 all-other-members.

15 (b)--This-Reserve-shall-be-charged-with:

16 (1)--The---accumulated---contributions---of---members
17 retired-under-the-provisions-of-Sections-16-133,16-136.4
18 and-16-149.2.

19 (2)--The--accumulated---contributions---of---members
20 granted-a-refund-under-the-provisions-of-Section-16-151.

21 (3)--The---accumulated---contributions--of--deceased
22 members-upon-payment-of-a-refund-as-provided--in--Section
23 16-138.

24 (4)--The--accumulated--contributions--together--with
25 regular-interest-as-provided-in-Section-16-131.1.

26 (c)--Upon--the--granting--of--a-retirement-annuity-or-the
27 payment-of-a-single-sum-retirement--benefit--or--a--death--or
28 refund--benefit,--all--individual--accumulated-credits-of-the
29 member-concerned-shall-be-terminated.

30 (d)--Amounts-credited-to-the-account-of--a--member--under
31 this--Reserve--shall--not--be--used--until--such-member-dies,
32 retires,--accepts--a--refund,--or--requests--a--transfer---of
33 contributions.

34 (Source: P.A. 87-11.)

1 (40 ILCS 5/16-184) (from Ch. 108 1/2, par. 16-184)
2 Sec. 16-184. Supplementary Annuity Reserve.

3 (a) Except as provided in subsection (b), a Reserve to
4 be known as the Supplementary Annuity Reserve is established
5 for the purpose of crediting funds received and charging
6 disbursements made for supplementary annuities under Section
7 16-135 and Section 16-149.4.

8 This Reserve shall be credited with:

9 (1) The total of all contributions made by
10 annuitants to qualify for supplementary annuities.

11 (2) Amounts contributed to the System by the State
12 of Illinois that are sufficient to assure payment of the
13 supplementary annuities.

14 (3) Regular interest computed annually on the
15 average balance in this reserve.

16 This Reserve shall be charged with all supplemental
17 annuity payments under Section 16-135 and Section 16-149.4.

18 (b) On the July 1, 2003 next occurring after the
19 effective date of this amendatory Act of the 91st General
20 Assembly, the Supplemental Annuity Reserve is abolished and
21 any remaining balance shall be transferred from that Reserve
22 to the Benefit Trust Reserve Employer's Contribution Reserve.
23 (Source: P.A. 91-887, eff. 7-6-00.)

24 (40 ILCS 5/16-185) (from Ch. 108 1/2, par. 16-185)
25 Sec. 16-185. Benefit Trust Employer's Contribution

26 Reserve.

27 (a) On July 1, 2003, the Employer's Contribution Reserve
28 shall be renamed the Benefit Trust Reserve. The Benefit
29 Trust Reserve shall serve as a clearing account for income
30 and expenses of the System as well as transfers to and from
31 the other reserve accounts established under this Article and
32 adjustments thereto.

33 (b) This Reserve shall be credited with all

1 contributions, investment income, and other income received
2 by the System, except as otherwise required by this Article.:

3 (1)--All--amounts--contributed--by--the--State,--except
4 those--credited--to--other--reserve--accounts--as--provided--in
5 this--Article.

6 (2)--The--total--member--and--employer--contributions
7 except--those--required--by--other--reserve--accounts.

8 (3)--The--total--income--from--invested--assets--of--the
9 System,--and--other--miscellaneous--income.

10 (4)--The--interest--portion--of--the--accumulated
11 contributions--of--members--granted--refunds.

12 (5)--Contributions--made--by--annuitants--to--qualify--for
13 automatic--annual--increases--in--annuity,--except--those
14 required--by--other--reserve--accounts.

15 (c) This Reserve shall be charged with all benefits and
16 refunds paid and all other expenses of the System, except as
17 otherwise required under this Article.:

18 (1)--All--amounts--necessary--to--be--transferred--to--the
19 Members'-Contribution-Reserve.

20 (2)--All--retirement--annuity,--single-sum--retirement
21 benefit--and--disability--retirement--annuity--payments,
22 including--automatic--annual--increases--in--annuities,--except
23 as--provided--by--other--reserve--accounts.

24 (3)--All--amounts--necessary--to--be--refunded--to
25 withdrawing--members--except--as--provided--by--the--Members'-
26 Contribution-Reserve.

27 (4)--All--benefits--paid--to--temporarily--or
28 accidentally--disabled--members--of--this--System,--and--all
29 amounts--credited--to--the--accounts--of--such--disabled--members
30 in--lieu--of--contributions.

31 (5)--All--amounts--payable--as--death--benefits--except--as
32 provided--by--the--Members'-Contribution-Reserve.

33 (6)--All--amounts--necessary--for--the--payment--of--costs
34 for--the--health--insurance--program--as--provided--under--this

1 Article.

2 (7) All survivor benefit contributions refunded to
3 an annuitant as provided under Section 16-143.2.

4 (8) All amounts paid in accordance with Section
5 16-131.1 except as provided by the Members' Contribution
6 Reserve.

7 (9) Interest to be credited to other reserve
8 accounts as specified in this Article.

9 (10) Recognition of unrealized gains or losses in
10 market value, upon adoption of generally accepted
11 accounting principles that allow for such recognition.

12 (Source: P.A. 89-235, eff. 8-4-95; 90-448, eff. 8-16-97.)

13 (40 ILCS 5/16-186.3) (from Ch. 108 1/2, par. 16-186.3)

14 Sec. 16-186.3. Reserve for minimum retirement annuity.

15 (a) A Minimum Retirement Annuity Reserve is established
16 for the purpose of crediting funds received and charging
17 disbursements for minimum retirement annuity payments under
18 Section 16-136.2 and Section 16-136.3.

19 This Reserve shall be credited with:

20 (1) The total of all contributions made by
21 annuitants to qualify for the minimum retirement annuity.

22 (2) Amounts contributed to the System by the State
23 of Illinois that are sufficient to assure payment of the
24 minimum retirement annuity payments under Section
25 16-136.2 and Section 16-136.3.

26 (3) Regular interest computed annually on the
27 average balance in this Reserve.

28 This Reserve shall be charged with all minimum retirement
29 annuity payments under Section 16-136.2 and Section 16-136.3.

30 (b) After all minimum retirement annuity payments have
31 been completed, any remaining funds shall be transferred from
32 this Reserve to the Benefit Trust Reserve Employer's
33 Contribution-Reserve.

1 (Source: P.A. 88-593, eff. 8-22-94.)

2 (40 ILCS 5/17-116.7 new)

3 Sec. 17-116.7. Purchase of additional service credit.

4 (a) This Section applies only to a person who (i) served
5 as a principal for at least 5 years, (ii) left service due to
6 a failure to receive a new contract from the local school
7 council, (iii) elected the early retirement without discount
8 option under Section 17-116.1, (iv) began receiving a
9 retirement pension before 1992, and (v) has more than 30
10 years of service credit.

11 (b) An eligible person may apply in writing to the Board
12 to establish an additional 5 years of creditable service in
13 the Fund. The application must be received by the Board
14 within 90 days following the effective date of this Section,
15 and must be accompanied by payment of the amount determined
16 under subsection (c).

17 (c) For each year of creditable service established
18 under this Section, the applicant must pay to the Fund a
19 contribution consisting of 4% of the highest annual salary
20 rate that was used in the determination of the person's
21 retirement pension. The amount of the employee contribution
22 already paid by the person under Section 17-116.1 shall be
23 credited against the total contribution required under this
24 subsection.

25 (d) A person who has purchased any creditable service
26 under this Section shall have his or her pension recalculated
27 to reflect the additional service. The resulting increase in
28 pension shall begin to accrue on the first pension payment
29 date following receipt of the required contribution by the
30 Fund.

31 (e) A person who has purchased any creditable service
32 under this Section and whose pension is suspended or
33 cancelled under Section 17-149 or 17-150 shall thereby

1 forfeit that creditable service. The forfeiture of
2 creditable service under this subsection shall not entitle
3 the person to a refund of the contribution paid under this
4 Section.

5 (f) A person who received any early retirement incentive
6 under Section 17-116.3, 17-116.4, 17-116.5, or 17-116.6 may
7 not purchase additional creditable service under this
8 Section.

9 (40 ILCS 5/17-121.1 new)

10 Sec. 17-121.1. Domestic partner eligibility.

11 (a) Beginning July 1, 2003, an unmarried teacher may
12 designate a domestic partner by filing a written designation
13 with the Fund in the manner prescribed by the Fund. The Fund
14 may require reasonable evidence that the person designated
15 meets the qualifications set forth in subsection (c). Such a
16 designation is revocable at any time, but may not be made or
17 changed more than once in any 24-month period. The marriage
18 of a teacher automatically revokes any designation of a
19 domestic partner previously made by that teacher.

20 (b) The designated domestic partner of a teacher shall
21 be eligible to receive survivor and death benefits under this
22 Article in the same manner and subject to the same conditions
23 as a surviving spouse. For the purposes of determining
24 eligibility for those benefits, the date of designation of a
25 domestic partner shall be deemed the equivalent of the date
26 of marriage, and the revocation or change of a designation
27 shall be deemed the equivalent of termination of the
28 marriage. References in this Article and other applicable
29 Articles of this Code to a surviving spouse shall be deemed
30 to include a surviving designated domestic partner.

31 (c) "Domestic partner" means an individual of the same
32 gender as an unmarried teacher who (1) is involved with the
33 teacher in a long-term relationship of indefinite duration;

1 (2) has resided together with the teacher at the same address
2 for at least 12 months; (3) is not related to the teacher by
3 blood to a degree of closeness that would prohibit legal
4 marriage in the state in which they legally reside; (4) is
5 not married to any other person; and (5) has an exclusive
6 mutual commitment to the teacher in which they agree to be
7 jointly responsible for each other's common welfare and to
8 share financial obligations.

9 (40 ILCS 5/17-122) (from Ch. 108 1/2, par. 17-122)

10 Sec. 17-122. Survivor's and children's pensions - Amount.

11 Upon the death of a teacher who has completed at least 1 1/2
12 years of contributing service with either this Fund or the
13 State Universities Retirement System or the Teachers'
14 Retirement System of the State of Illinois, provided his
15 death occurred while (a) in active service covered by the
16 Fund or during his first 18 months of continuous employment
17 without a break in service under any other participating
18 system as defined in the Illinois Retirement Systems
19 Reciprocal Act except the State Universities Retirement
20 System and the Teachers' Retirement System of the State of
21 Illinois, (b) on a creditable leave of absence, (c) on a
22 noncreditable leave of absence of no more than one year, or
23 (d) a pension was deferred or pending provided the teacher
24 had at least 10 years of validated service credit, or upon
25 the death of a pensioner otherwise qualified for such
26 benefit, the surviving spouse and unmarried minor children of
27 the deceased teacher under age 18 shall be entitled to
28 pensions, under the conditions stated hereinafter. Such
29 survivor's and children's pensions shall be based on the
30 average of the 4 highest consecutive years of salary in the
31 last 10 years of service or on the average salary for total
32 service, if total service has been less than 4 years,
33 according to the following percentages:

1 30% of average salary or 50% of the retirement pension
2 earned by the teacher, whichever is larger, subject to the
3 prescribed maximum monthly payment, for a surviving spouse
4 alone on attainment of age 50;

5 60% of average salary for a surviving spouse and
6 eligible minor children of the deceased teacher.

7 If no eligible spouse survives, or the surviving spouse
8 remarries, or the parent of the children of the deceased
9 member is otherwise ineligible for a survivor's pension, a
10 children's pension for eligible minor children under age 18
11 shall be paid to their parent or legal guardian for their
12 benefit according to the following percentages:

13 30% of average salary for one child;

14 60% of average salary for 2 or more children.

15 On January 1, 1981, any survivor or child who was
16 receiving a survivor's or children's pension on or before
17 January 1, 1971, shall have his survivor's or children's
18 pension then being paid increased by 1% for each full year
19 which has elapsed from the date the pension began. On January
20 1, 1982, any survivor or child whose pension began after
21 January 1, 1971, but before January 1, 1981, shall have his
22 survivor's or children's pension then being paid increased 1%
23 for each full year which has elapsed from the date the
24 pension began. On January 1, 1987, any survivor or child
25 whose pension began on or before January 1, 1977, shall have
26 the monthly survivor's or children's pension increased by \$1
27 for each full year which has elapsed since the pension began.

28 Beginning January 1, 1990, every survivor's and
29 children's pension shall be increased (1) on each January 1
30 occurring on or after the commencement of the pension if the
31 deceased teacher died while receiving a retirement pension,
32 or (2) in other cases, on each January 1 occurring on or
33 after the first anniversary of the commencement of the
34 pension, by an amount equal to 3% of the current amount of

1 the pension, including all increases previously granted under
2 this Article, notwithstanding Section 17-157. Such increases
3 shall apply without regard to whether the deceased teacher
4 was in service on or after the effective date of this
5 amendatory Act of 1991, but shall not accrue for any period
6 prior to January 1, 1990.

7 Subject to the minimum established below, the maximum
8 amount of pension for a surviving spouse alone or one minor
9 child shall be \$400 per month, and the maximum combined
10 pensions for a surviving spouse and children of the deceased
11 teacher shall be \$600 per month, with individual pensions
12 adjusted for all beneficiaries pro rata to conform with this
13 limitation. If proration is unnecessary the minimum
14 survivor's and children's pensions shall be \$40 per month.
15 The minimum total survivor's and children's pension payable
16 upon the death of a contributor or annuitant which occurs
17 after December 31, 1986, shall be 50% of the earned
18 retirement pension of such contributor or annuitant,
19 calculated without early retirement discount in the case of
20 death in service. Beginning January 1, 2004, the minimum
21 total survivor's pension payable upon the death of a
22 contributor or annuitant that occurred before January 1, 1987
23 shall be 50% of the earned retirement pension of the
24 contributor or annuitant, calculated without early retirement
25 discount in the case of death in service, and notwithstanding
26 Section 17-157.

27 On death after retirement, the total survivor's and
28 children's pensions shall not exceed the monthly retirement
29 or disability pension paid to the deceased retirant.
30 Survivor's and children's benefits described in this Section
31 shall apply to all service and disability pensioners eligible
32 for a pension as of July 1, 1981.

33 (Source: P.A. 90-32, eff. 6-27-97; 90-566, eff. 1-2-98.)

1 Section 90. The State Mandates Act is amended by adding
2 Section 8.27 as follows:

3 (30 ILCS 805/8.27 new)

4 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6
5 and 8 of this Act, no reimbursement by the State is required
6 for the implementation of any mandate created by this
7 amendatory Act of the 93rd General Assembly.

8 Section 99. Effective date. This Act takes effect upon
9 becoming law."